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the Mistake of the Century

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January/February 2000

Volume 11, Number 1

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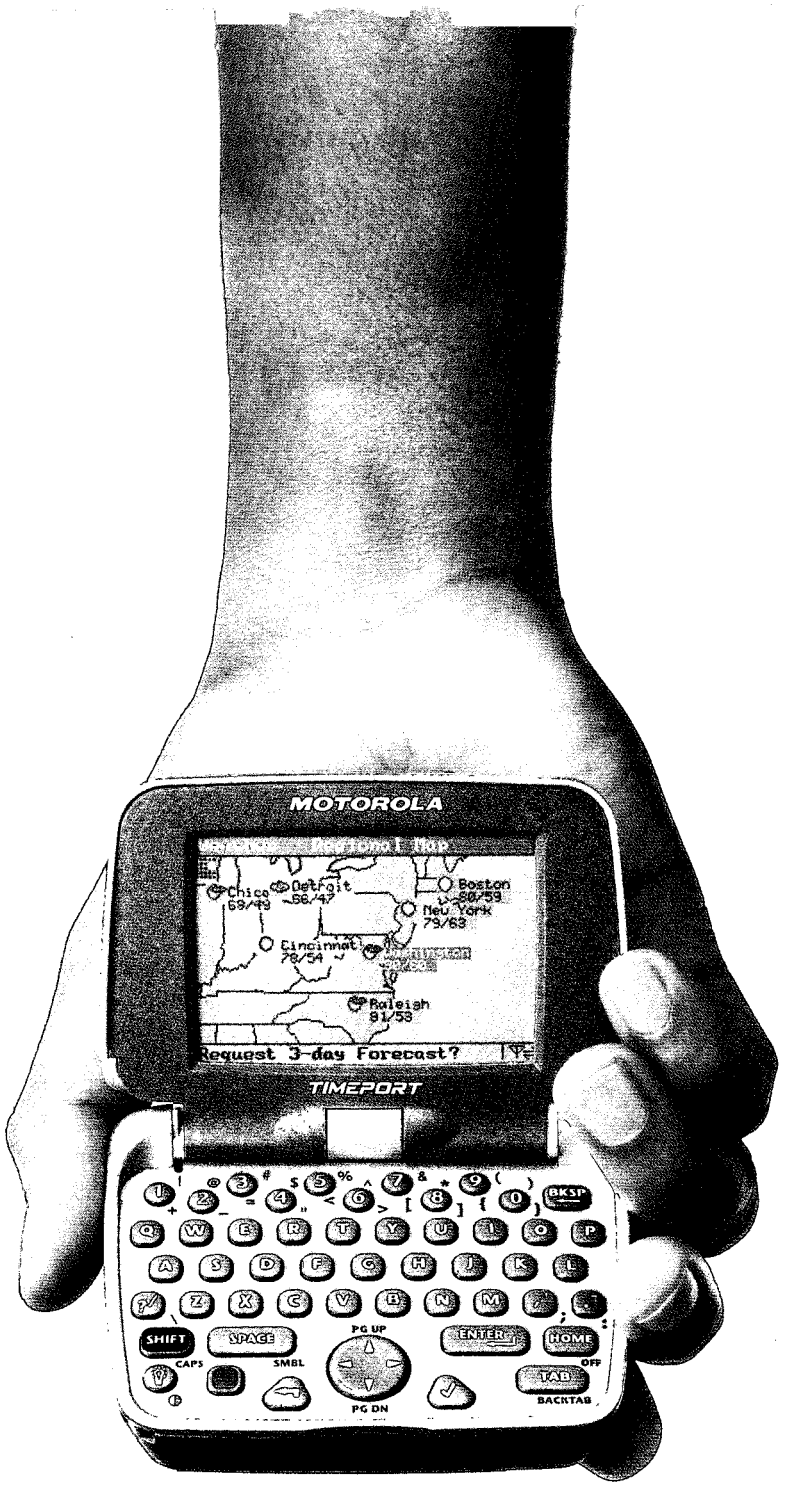

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A National Magazine of Politics, Business, and Culture

January/February 2000 Vol. 11, No. 1

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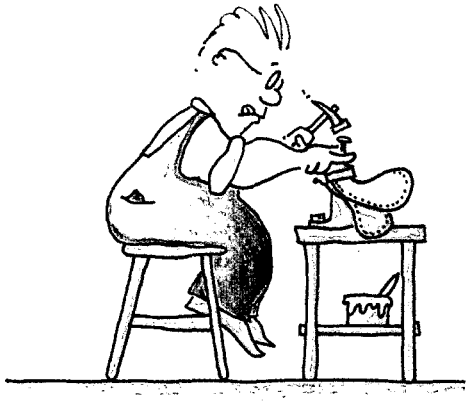

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Bird's Eye

KARL ZINSMEISTER

Centralism Sickens a Century

"The mass of mankind has not been born with saddles on their backs, nor a favored few booted and spurred, ready to ride them legitimately."
—*Thomas Jefferson*

Thomas Jefferson's statement above expresses the central ideal of American politics—that people are not generally to be ruled over by others, but should make their own decisions and order their own lives.

While that may sound relatively innocuous, it's a principle respected by few rulers during the century just ended. Even in the Western democracies, there developed quite a taste for booting and whipping the masses. In socialist Europe, bureaucrat-ridden Japan, and left-wing bastions across America, proponents of the welfare state, government-run "industrial policies," and order-giving elites like America's National Endowment for the Arts or Japan's Ministry of International Trade and Industry have insisted that spur-equipped bureaucrats and planners are just what society needs.

Then there's the rest of the world. In places like centrally planned India, collectivist Tanzania, and other nations of Asia, Africa, and Latin America, decision making was concentrated in just a few hands for most of the twentieth century. And in Communist paradises like the Soviet Union, Eastern Europe, China, Vietnam, and North Korea, the citizenry spent most of this century being brutally ridden by a small master class dispensing orders from Party headquarters.

The amount of leading-by-the-nose that went on in such places is mind boggling. Scholar Robert Conquest, whom we quiz on page 42, has written that in the course of a year a typical Soviet farm was targeted with more than 5,000 "directives" from central offices. Since picayune control of this sort was not practical, the order givers and order getters mostly just pretended to be responding to each other.

The extreme economic and political centralism imposed by Communist regimes was more than just ineffective, though. It was also, right from the beginning, deadly. In *The Black Book of Communism*, Nicolas Werth reports that in just two months in 1918, the Bolsheviks executed more than twice as many political opponents as the Czars had in the previous *century*.

And they were just warming up. In subsequent years, the Russians—followed by the Chinese, Cambodians, and other leftists—repeatedly used secret police, labor camps, induced famines, and other measures to break resistance to their plans. Collectively, Communist bosses killed 100 million people between 1917 and the 1990s.

For the record, this was many times more than the millions done in by Hitler. The Communists and the Nazis were kissing cousins, though, in their insistence on central control. As Michael Ignatieff noted recently in *The New Republic*, both camps "hated moral and political individualism: the idea that a nation's destiny should depend on the sovereign judgment of separate individuals."

The megalomania of Communist rulers made the twentieth century the most murderous in history. All told, professor Rudolph Rummel has estimated, nearly 170 million civilians were killed by governments during the 1900s. It took extreme centralizations of power to produce terror, and deadly error, on that massive scale.

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So: If someone looked at this magazine's cover and assumed the "Mistake of the Century" had to be "Communism," he would be perfectly justified. But we suggest Communism was only the worst aspect of a twentieth-century disease that struck more broadly. Even in places that avoided Communism, a tremendous centralization of political and economic power occurred during the 1900s. The data on pages 15 and 47 document some of this build-up in the United States. And in our first three feature articles—on school consolidation, city planning, and big business—we show how widely the centralizing mania spread in recent generations.

In the U.S., though, there was eventually a backlash against these attempts by elites to hoard power. Popular disdain first appeared in a visceral way in the presidential candidacy of George Wallace. Americans were "fed up," said Wallace in 1968, "with strutting pseudo-intellectuals lording over them, writing guidelines...telling them they have not got sense enough to know what is best for their children or sense enough to run their own schools and hospitals and local domestic institutions." Roaring this raw complaint, Wallace won 10 million working-class votes and shocked the professor/lawyer/journalist/activist elites of the Boston-Washington corridor, who thought they had won the battle over who was going to run America when they got their way on the New Deal, civil rights legislation, and Great Society programs.

Ronald Reagan and company took this same chafing against intellectual authoritarianism and rule from the center and added philosophical and empirical depth. This wasn't hard, for by the late 1970s evidence abounded that bureaucratic rule was having disastrous results.

A recent study for Congress's Joint Economic Committee presents a broad overview of the trends. The authors compare economic growth to government growth in 23 advanced nations over the years 1960-1996. They discover that the countries with the smallest increases in government enjoyed vastly better economic outcomes than the countries with the largest increases in government. Zeroing in on the most economically successful countries, the researchers then find that GDP grew much more rapidly in each nation during periods when government was shrinking than when it was expanding.

Damning findings like these didn't result in any sudden rollback of government centralization, but slowly a tide began to turn. In the '80s, Reagan enacted large tax cuts and put the brakes on new regulatory and spending programs in Washington. He lent new intellectual respectability to the principle of devolving government power to more local levels.

Then in the '90s welfare reform arrived, and New Deal farm subsidies were phased out (though partly replaced with "temporary" slush funds). And the rejuvenated private economy, combined with improved fiscal discipline in Washington, actually allowed federal spending to become a smaller portion of the economy—falling from 24 percent in 1983, to 22 percent in 1990, to under 20 percent this year.

Careful though: While spending is down, federal *taxing* is actually at a post-war high right now (see page 47). That's how our politicians got rid of the deficit.

And it's a fact that residents of the federal flea hive continue to be dangerously money and power hungry. In addition to its $1.8 trillion budget, our national government will impose on Americans $800 billion in other expenses this year—the costs to citizens and businesses of complying with its various edicts. That burden of central government totals to $2.6 trillion—or a stunning $10,000 for every man, woman, and child in the country, most of it hidden in higher product costs and invisible taxes.

Moreover, while some progress has been made in resisting economic centralization, victories against over-centralization in the cultural realm have been rarer. Judicial fiat, educational homogenization, and moral imperialism now pose serious threats to American self-determination. Federal authoritarianism now often comes dressed in civil rights rhetoric or some other progressive mantle, but it's oppressive just the same.

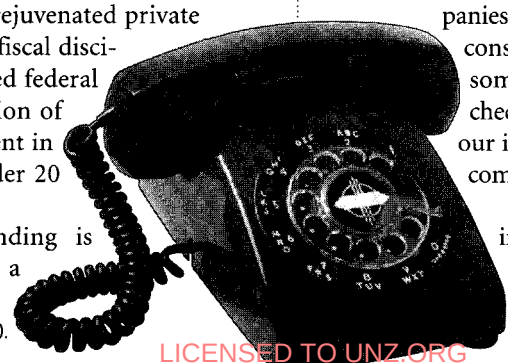
The real engine tugging America away from its mid-century flirtation with centralism, however, is not new politics or changed convictions in government, but rather new forces in America's dominant private sector. As we show throughout this issue, fresh riches, liberating technology, and shifting tastes are increasingly nudging American society away from one-size-fits-all planning and control.

For a good metaphor of how the last half of the twentieth century has proceeded, think of phone service. For decades, we had a single, massive phone network, mostly under the control of one company, which funnelled all calls through a relatively small number of centralized switchboards. Calls were expensive, and there was exactly one choice in phones: that Western Union rotary desktop model shaped like a large wedge of cheese, available in black only.

At the close of the century, on the other hand, the fastest growing phone service was cellular—built on thousands of small towers scattered across the fruited plain. In 1999, there were something like 75,000 separate transmission cells in the U.S., operated by nearly 40 different companies. Yet these decentralized cells were capable of finding and connecting with individuals nearly anywhere they might roam on the continent. The choices in hardware and services? Almost innumerable.

If you'd asked an expert in 1900 whether he thought a reliable and inexpensive communications system could be cobbled together out of thousands of Mom and Pop antennas dropped on farmsteads, hidden in church steeples, and stashed on apartment building roofs, all coordinated by a crazy quilt of unrelated companies using differing technologies, and dialed up by consumers from battery-operated phones that are sometimes given away as doorprizes, he'd have checked your breath and told you patronizingly, "In our industrial world, complicated tasks can't be accomplished in that sort of disorganized way."

But he would have been wrong. Not only in communications but in many other areas as well, problem-solving units built from lots of



Standard issue, 1970.

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small, independent cells have trumped the single grand solution as a way of achieving intricate ends.

The general superiority of decentralized problem-solving reflects some iron rules of nature. Even a half-inebriated crowd can manage to empty any football stadium in a matter of minutes. But as Arthur de Vany points out in *Behavioral Scientist*, plotting those 50-100,000 exits from some master position is literally "an intractable computational problem." You could cover the field from goalpost to goalpost with hardware and programmers, and you'd still never be able to direct that (comparatively simple) process from above. There are just too many variables. Yet leave each slob to himself, and he'll be opening the door to his Chevy before the scoreboard lights are cool. He may not realize he's "exhibiting large-scale adaptive intelligence in the absence of central direction," as de Vany puts it, but he is.

So why are many people so distrustful of decentralized processes that they'll often sacrifice their autonomy and freedom for some centralized solution instead? Perhaps they're thinking too much, and observing too little. People should recognize, de Vany suggests, that decentralized problem-solving is "ubiquitous throughout nature and society."

As part of preparing this issue, I read a new book called *Ants at Work*, written by a Stanford entomologist named Deborah Gordon. For 17 years, Gordon has intensively studied a large colony of harvester ants to discover how these tens of thousands of tiny creatures coordinate the many specialized tasks essential to colony health—food harvest and storage, garbage toting, child care, tunnel making, war fighting, etc. Who's directing the show to make sure the right work gets done?

The answer, Gordon reports, is *nobody*. Each colony "operates without any central or hierarchical control.... No insect issues commands to another." These complex societies are built instead, she demonstrates, on thousands of simple decisions made by individual creatures, with the many micro-decisions melding together to yield an efficient macro-result. Gordon, like de Vany, notes that this pattern of complex problems being solved by small actors working without direction is a common one all across nature.

The fact that humans are much more sophisticated than ants suggests we have even less need for caste and central authority in most tasks. And humans living in America are especially inclined against centralism. This begins with our roots in England—one of the first places to reject the idea that a king could do whatever he wanted. In England, even the humblest landowner could forbid the monarch from trespassing on his private property.

Overlaid upon this English tradition in parts of America was the continental European principle of "subsidiarity," which dictated that any social task should be performed by the smallest unit possible—by the family before the neighborhood, by local government before the central state.

From these beginnings, Americans raised the concepts of individual sovereignty, local control, and self-determination to new heights. They didn't just pay lip service to these ideas, but acted on them daily in many practical ways. During the Battle of King's Mountain in the Revolutionary War, American Colonel Isaac Shelby instructed his men, "When we encounter the enemy, don't wait for the word of command. Let each one of you be your own officer." His scattered backwoods marksmen went on to defeat a larger force of regimented soldiers. Throughout the nineteenth century, authority in America remained highly decentralized. The French observer Tocqueville pronounced himself "more struck by the innumerable multitude of little undertakings" in America than by any large, coordinated projects.

This toleration for each man operating as his own officer, and the tendency toward many small enterprises rather than a few grand ones, continues in the U.S. to the present day. A study recently reported in the *Wall Street Journal* found that 90 percent of Americans admire independent entrepreneurs. In big-business worshipping Japan, by contrast, only 8 percent of adults consider it prestigious to start a company.

As our world continues to move beyond the machine age, every society that wishes to prosper will have to shift from factory-style command and control toward more local and less directed forms of organization. The U.S. made a good start during the 1980s and '90s, recoiling from many of the concentrating tendencies that grew up earlier in the century. In economics, in social life, in politics, we have begun to pull away (to varying degrees) from the damaging nostrums of centralism. This has left us much healthier than some of the other nations tempted in the same direction. We are, however, not yet free of what was a heavy sickness.

One of the best ways to complete our recovery would be to hand off more federal assignments and authority to private institutions and individuals, or more local governments. And governments at all levels ought to concentrate on offering Americans *choices* rather than *edicts.* Then we'll enjoy the natural richness, efficiency, and freedom of society without dictators.

WE'RE PLEASED TO ANNOUNCE...

that with this installment *The American Enterprise* expands from six to eight issues per year. We hope to expand again in the future, in response to your loyal and growing readership.

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- "Beat the Press"—a regular exposé of press bias by the funny and sometimes savage media critic Jonah Goldberg.

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Karl Zinsmeister

IN OUR NEXT ISSUE

America's biggest-ever economic boom—whom to thank?

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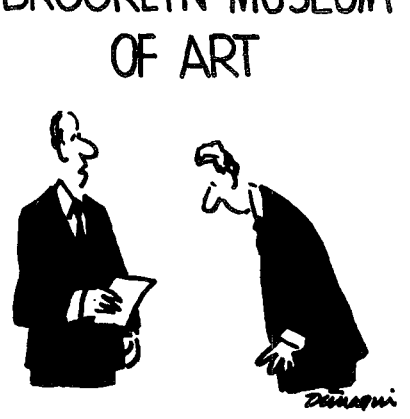
Sidelights

Deluxe dog kennels now offer color cable TV with VCR, weight-reduction programs, speaker telephones for owners' calls, and de-stressing doggie-massage. ··· Peppermint Pets of California offers dogs and their owners matching aromatherapy collars. ··· Recently, the Animal Liberation Front claimed credit for raiding two mink farms and firebombing a feed warehouse. They called the latter act "non-violent," and vowed, "We will not stop or be stopped until every cage is opened and every oppressed creature is free." ❧ The *Shopper Report,* a grocery-industry newsletter, found buyers in supermarkets rate "organic foods" last in quality. ❧ Numerous federal inmates now use phone calls from prison to arrange murder, drug trafficking, and other crimes, the Justice Department has discovered. Previously, inmate phone time was limited, but a class-action suit has brought largely unlimited access to phones. ··· **Nicole Bass,** a pro wrestler described by the *Washington Post* as "the world's largest female bodybuilder" at 6-foot-2, 230 pounds, has sued the World Wrestling Federation for sexual harassment, demanding $120 million. ··· The latest rights group: The Campaign for Real Ale in Britain is fighting to make it illegal to pour beer with more than 5 percent froth. ❧ Florida's Lieutenant Governor **Frank Brogan** has testified that it takes six times as many people to administer a federal education dollar as a state dollar, the *Wall Street Journal* reports. ··· No widely used science textbook for middle schools was found satisfactory by the American Association for the Advancement of Science. "Students are lugging home heavy texts full of disconnected facts that neither educate nor motivate them," a spokesman complained. ❧ Why do media "hacks" love presidential candidate **John McCain?** asks *Slate*'s **Jacob Weisberg:** "You could start with our admiration for a quality not many of us possess: physical courage." ··· Novelist **Kurt Vonnegut** recently told *Salon,* "The permanent government now is the anchorpeople. They don't get elected.... CNN now decides where we send our troops next." ❧ Reflecting on the upsurge of nostalgia for World War II veterans, author **William McGurn** notes that two-thirds of U.S. soldiers in the Vietnam War volunteered—twice the percentage of volunteers in WWII.

AT&T reports it files at least 39,912 state and local tax returns for itself. ❧ The American Civil Liberties Union is trying to force the University of Kansas to remove from its official seal the image of **Moses** kneeling before the burning bush. ❧ Reviewing *The Reader's Companion to U.S. Women's History,* compiled by feminist academics including **Wilma Mankiller,** *Heterodoxy* observed "one very short, very hostile entry on heterosexuality," versus "14 different articles on lesbians." ··· "In France, where you sleep is far more important than with whom," reads an Inter-continental Hotel ad in the official guide *Gay Friendly France: Liberté, Egalité, Diversité.* ❧ "If we continue to teach about tolerance and intolerance instead of teaching about good and evil, we will end up with tolerance of evil," writes Jewish author and talk-show host **Dennis Prager.** ··· The Brooklyn Museum of Art's controversial "Sensation" exhibit was accompanied by such gift shop items as "Squishy Skull" (a "goo-filled toy"), and artificial-turf coasters celebrating an artwork that consists of mutated-child mannequins on artificial turf. ··· *New York Times* critic **Michael Kimmelman** lauded the exhibit's infamous portrait of the **Virgin Mary** covered with pornography and elephant dung, saying its creator "is playing with the ideas of blasphemy and worship, race and religion, toying in a gently ironic way with the space between public outrage and private expression to make his own spiritual statement." ❧ The *Sacramento Bee* reports child killer **Brandon Wilson** was so thrilled by media coverage of his crimes that his attorney admitted Wilson "would love to see his execution televised." ··· **Cary Stayner,** murderer of four women, aspired to "a TV movie of the week made about his life." ❧ After the **Gore** 2000 campaign confessed to hiring "bad girl" feminist **Naomi Wolf** as a consultant, one wag asked, "Who else is on the payroll, Al—**Richard Simmons?**" ··· Proof Ms. Wolf was correct on the dangers of devices promising female beauty: Two women in London were killed when lightning hit their bras' underwiring. ❧ "Polls have become a substitute for thought for many Americans," a "substitute for reporting for many people in the media," and a "substitute for principles among many of our elected officials," complains pollster **Kellyanne Fitzpatrick.** ❧ In *Faster: The Acceleration of Just About Everything,* **James Gleick** details studies showing Americans average nine minutes a day waiting for Web pages to appear on computer screens but only four minutes having sex. —*SW*



"Careful, don't step on that artwork."

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SCAN

THE *REAL* SCIENCE SCANDAL

The Kansas Board of Education's recent decision on science instruction—which, contrary to reports, didn't outlaw the teaching of evolution but simply left the decision to local school districts—has activists vowing to protect Darwin at any cost.

The *Kansas City Star* accused the Board of "reveling in their ignorance." The *New York Times* weighed in with the kind of condescension for which it is justly famous. Presidents of Kansas's six state universities have accused the Board of setting back education in Kansas a century. The governor of Kansas, a nominal Republican, has threatened to change the way the Board of Education is chosen.

These defenders of "science" have established a precedent they would do well to heed in future. They could start by examining the Food Quality Protection Act and its implementation by the Environmental Protection Agency. U.S. agriculture is now well on the way to losing safe, effective chemicals because of a process that has more to do with superstition than science. If crop-protection chemicals are lost, fruits and vegetables will no longer be available to many consumers, and science is clear that consuming fruit and vegetables defends us against cancer.

Biotech (an alternative to chemical use) is under even fiercer attack. Gerber has recently refused to accept genetically modified crops for its baby foods—not because of any scientific evidence but in response to interest-group pressure. Europe refuses to import soybeans and corn grown from genetically engineered seed. And so a technology that could benefit billions of men and women is in danger of being discarded, because of consumers' lack of scientific knowledge and governments' scientific cynicism. Maybe some of the defenders of evolution could take up their rhetorical cudgels on behalf of agricultural gene splicing.

Meanwhile, trial lawyers are pocketing millions from the makers of breast implants, even though the scientific evidence points toward the safety of silicon implants. Here again it would be nice to see a few of those zealous defenders of the scientific method battling against superstition.

A Volvo with Kansas plates passed me on the highway recently. Its bumper proclaimed, "Animal Research—Scientific Fraud." Whether to use animals in medical research is a moral question, albeit fairly easy to answer for most of us. But there is no denying human health, and science in general, has benefited enormously from animal research, and we should challenge anyone who says otherwise. Yet animal rights are politically correct, while skepticism toward the theory of evolution is not.

The Kansas Board of Education, deadlocked over how to treat evolution in the face of contrary information both scientific and moral, passed the buck to local school districts—an action more in keeping with healthy politics than right-wing ascendancy. Most school districts in Kansas will teach evolution as they always have, and voters will have the opportunity to replace any local school boards whose actions don't meet with their approval. Letting the voters most directly affected by local schools make their own curriculum decisions is well within the American tradition. Kansas students will no doubt survive. But the triumph of fear over fact that so often occurs when science and public policy intersect is a serious problem indeed.

—*Farmer* **Blake Hurst** *is a* TAE *contributing writer.*

SOCIALIST MAGIC

The Socialist-led government in France recently passed a law forbidding workers

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from laboring more than 35 hours per week. Companies may not reduce workers' pay under the new rules; so employees will magically get the same money for less work.

The motivation for this wave of a governmental wand is the 11.4 percent unemployment rate in France—a problem which was itself created by a steady piling up of labor regulations, state-mandated benefits, and overblown taxation. The miracle promised by the French Socialists, in other words, is that they are going to eliminate an unemployment crisis caused by too many government regulations by creating...another regulation!

To sweeten the package for French companies, the Socialists are dishing out big subsidies to employers. To pay for them, taxes are being raised. And squads of government labor inspectors are descending on workplaces to make sure no one is spending too much time on the job. Recently, the top executive of a company that makes radar equipment was fined for encouraging managers to put in overtime.

—*Economist* **Ralph Reiland** *is a* TAE *contributing writer.*

MASS ILLNESS

Remember Hillary-care? Well, Alan Sager, a professor at the Boston University School of Public Health, thinks he's pinpointed its problem: "Clinton's plan relied on price competition and a free market." With the chances for nationalized health care now having dimmed, Sager is leading a charge for government-run health care on a *state*-wide basis instead, in Massachusetts.

Sager's plan requires the government to allocate medical resources. "The key thing," he explains, "is to collect all streams of money in one reservoir and then make everyone eligible." Sager claims that he is not trying to rid the state of HMOs and private insurance, but just that the government will decide how much health care providers can charge for a particular service, and the money to pay for it will come from public funds rather than from individual pockets. He's not sure who will be in charge of the reservoir fund, but that hasn't stopped his plan from drawing the support of Massachusetts liberals.

The campaign for so-called "single-payer" health care statewide has been gaining steam for five years, aided by studies from Sager maintaining that the single-payer system will avoid the difficulties that have plagued other countries with nationalized health care. "People who tell you there will be rationing of health care are tricksters," he insists. His plan does require an initial tax hike, however.

Opponents, meanwhile, have been mute, saying they are afraid to stir up any controversy in the legislature. The state's private insurers, or doctors, or even patients might want to say something soon, though, because no one in the legislature is posing hard questions. When we asked whether the state's Republicans had a strategy for opposing the plan, John Brockelman, the party's executive director in Massachusetts, had nothing to say about single-payer health care itself, suggesting only that "there is no way an income tax hike like that will pass the legislature."

But the legislative bill that would push the single-payer system onto all Bay Staters is now being promoted by many interest groups, including the powerful state unions and liberal "public interest" lobbies like the Senior Action Council and the state League of Women Voters chapter. Apparently convinced, 15 state senators and 49 state representatives have lent their support.

Republicans who imagine the issue of government-run health care has been laid to rest may be suffering from an unhealthy condition themselves: Over-confidence.

—**Naomi Schaefer** *is assistant editor of* Commentary.

BUMPER STICKERS

courtesy of correspondent Bill English:

- I didn't fight my way to the top of the food chain to be a vegetarian.
- Be nice to your kids. They'll choose your nursing home.
- Pardon my driving. I'm reloading.
- Time is the best teacher; unfortunately it kills all its students.

Wanted: Antonio Peck

Photo by Logan Wallace/Syracuse Newspapers 1999

A DANGEROUS RELIGIOUS-RIGHT KINDERGARTNER

A kindergartner named Antonio Peck, living in the Baldwinsville school district outside Syracuse, New York, was given a fashionable assignment a few months ago. He was told to create a poster about the environment.

Antonio, who is being raised in a religious family, told his mother that God was the only way to save the world. He wrote that thought at the top of his poster, and then added words like *love*, *joy*, and *peace*, as well as pictures, including one of Jesus praying. "It was creative and thoughtful...a child's original idea," his mother Joanne said.

But Antonio's teacher, and school principal Robert Creme, told him the poster was unacceptable. They informed Mrs. Peck it promoted one religion over another and refused to display it at a schoolwide art presentation.

So Antonio tried again, adding images of children picking up garbage and recycling trash. But when the class posters went up at school, officials folded Antonio's back to hide the figure of Jesus and the religious themes.

Concluding the school was hostile to their six-year-old's religious speech rights, the Pecks called in Liberty Counsel, a Florida-based legal defense organization, and sued the school. The school refuses to back down. "The teacher and building principal...didn't feel the work was appropriate," states Baldwinsville Superintendent Ted Gilkey, adding "I think that's true."

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WHAT IS A HATE CRIME?

On August 10, a deranged gunman opened fire at the North Valley Jewish Community Center in Los Angeles, wounding several people. On September 15, a similarly deranged criminal murdered seven people at a Baptist church in Fort Worth.

Local newspapers throughout the country, and some of the television networks, gave the two events similar coverage. *The New York Times,* however, displayed media bias by giving far more prominent coverage to the Los Angeles shooting than to the Fort Worth incident, even though the latter was significantly more serious. As the reproductions below show, the L.A. story dominates the front page, appearing "above the fold" and including a large photograph. In contrast, the Fort Worth story received only a few column inches "below the fold" and no accompanying photo.

We cannot help asking: Does the *New York Times* really believe that Jews' being injured is a bigger story than Christians' being killed? Apparently so, and for the best of secular liberal reasons: The former was a "hate crime," while the latter was not. Another bastion of elite opinion, the Leadership Conference on Civil Rights, tracks "hate crimes" against blacks, Jews, Hispanics, Asians, Arab Americans, gays, lesbians, and women. But white Christians need not apply.

This myopia has real-world consequences, and they appeared in the Fort Worth case: Even though the *Times* itself reported that the shooter screamed a torrent of anti-Christian insults, the article stated that "investigators had not yet discerned his motives." Imagine a similar case in which the criminal had shouted insults against blacks or homosexuals. A police chief who told the national media that he "could not discern a motive" in such a case would be fired on the spot.

We appear to be witnessing a remarkable resurgence in genteel prejudice, in which whole categories of persons are deemed beneath the concern of polite society. Ralph Ellison coined the term "invisible man" to describe blacks earlier in this century; Christians (particularly white Southerners) seem to be the invisible people of today.

—**Adam Pruzan** *is with the Seattle-based Jewish organization Toward Tradition.*

THEIR BODIES, OUR SELVES

DATELINE WASHINGTON, 2001—The Food and Drug Administration today announced the approval of the latest French abortion pill, RU2B9, for sale in the United States. The new pill represents a major step forward in abortion technology, permitting antiseptic, risk-free abortion for mothers of fetuses up to 12 trimesters postpartum—that is, until the unwanted pregnancy is 3 years old.

"For a long time women and their Significant Others who weren't sure if children would fit into their busy lifestyles had to puzzle through this decision before the fact, in an unsettled state of mind," says National Organization for Women spokesperson Jenna Side. "With RU2B9, today's couples can sample the actual parenting experience before making their choice. It provides incomparable peace of mind."

Aside from such obvious psychological benefits, the great medical advantage of the procedure—known in pro-choice circles as "retroactive elimination of the coital by-product"—is that "the pill is administered to the by-product itself, instead of the mother," says Side. This allows modern parents to go about life without worrying about spotting or other inconvenient side effects common with the previous pill, RU486.

Side herself commented that she first began investigating alternative means of abortion after she "ruined an expensive outfit following a surgical abortion with one of the previous procedures," then found she couldn't have sex "for days afterward." An anonymous participant in one of the early French studies reported being delighted with the results: "The procedure was done at 9 a.m., and I was at work within the hour! I can't wait till they have a similar procedure for older kids. I've got a couple of teenage girls who are driving me crazy!"

French doctors who supervised the study of RU2B9 insist there is no pain for the coital by-product to which it is administered, just as in the case of partial-birth abortions, they reassured an earlier generation of women there was no pain for the fetus whose head was crushed as it lay in the birth canal.

"The by-product will just wither away on its own," said Dr. Y. Dewey Care, head of the renowned French Institute for Utter Detachment from Normal Human Feelings. The pill kit comes complete with an insulated Carcuspak™ for disposal of the unwanted pregnancy.

Asked whether "elimination of the coital by-product" was perhaps too gracious a phrase for what, in an earlier time, might have been called murder, Side became visibly agitated. "This is an attitude men historically have adopted to hold women down!" she snapped. "For a long time women have embraced the

The New York Times

3 Small Boys Are Shot at a California Day Camp

Gay Voters Fancing G.O.P. Newly Receptive to Support

A Cinematic Paradise in a Bit of Old Baltimore

The New York Times

Schroder's Woes

Hurricane Aims at Coast of Carolinas

Gates Is Pledging $1 Billion For Minority Scholarships

New York Board Now Says 8,600 Wrongly Put in Summer School

Young Orthodox Jews Blend Word and World

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mantra, 'our bodies, our selves.' The new pill is just a logical extension of that. Now it's 'their bodies, our selves.'"

—Steve Salerno *teaches journalism at Indiana University.*

A TALE OF TWO STATES

When Congress enacted welfare reform legislation that President Clinton finally signed in 1996, it abolished the federal welfare entitlement to cash benefits. Recognizing the incredibly destructive consequences that this entitlement program had wrought, Congress directed each of the 50 states to design its own program to replace welfare with workfare.

Demographically, few states resemble each other more closely than Minnesota and Wisconsin. Each has a population of roughly 5 million, each is dominated by a single metropolitan area, and each has a long-standing progressive political tradition. But in their welfare reforms, no two states have taken paths more divergent.

Before the late 1980s, Minnesota and Wisconsin had similar welfare programs. In 1986, however, Wisconsin's welfare caseload peaked at over 100,000 families. That year, Tommy Thompson was elected governor on a platform that focused on welfare reform.

By the early 1990s, Wisconsin had secured waivers from the federal government that allowed the state to impose work requirements in selected counties as a condition of receiving welfare benefits. By 1996, these reforms were applied to all counties. (Disabled adults remain covered under a separate program without a work requirement.)

Wisconsin enforces its work requirements by denying benefits to able-bodied adults who refuse to work, cutting benefits to the extent that recipients fail to show up for their jobs, and providing community service jobs as a last resort. Under Governor Thompson's reforms, the number of Wisconsin families receiving welfare has dropped from its high of more than 100,000 to only 10,185 by the end of 1998, a 90 percent decline.

Minnesota's version of welfare reform, the "Minnesota Family Investment Program" (MFIP), was implemented on January 1, 1998, and provides a clear contrast, beginning with its premises. MFIP "encourages" work, but does not require it. Many recipients, including those with children under one and those who are "experiencing a crisis," are exempt from any expectation of work. Other recipients are required merely to prepare a work search or work readiness plan.

The most severe sanction if a recipient refuses to work or fails to comply with program requirements is a 30 percent reduction in benefits. Since Minnesota's cash welfare benefits exceed comparable benefits in Illinois and Indiana by 41 percent and 85 percent respectively, a 30 percent reduction is not exactly draconian.

According to the Minnesota Department of Human Services, only 38 percent of the state's welfare recipients are working. This figure is astonishingly low at a time when there is essentially no involuntary unemployment in Minnesota and many jobs go begging at every level of skill and experience.

Not surprisingly, Minnesota's approach has produced results very different from Wisconsin's. Minnesota's caseload peaked in 1992 at 66,212. By the end of 1998 it had fallen 30 percent—just one third the decline experienced by Wisconsin.

By supporting able-bodied recipients who do not work, Minnesota's welfare system needlessly perpetuates dependence. It also raises a fundamental issue of fairness. Abraham Lincoln frequently argued that the basic precept of tyranny is, "You work and I eat." He condemned slavery as a manifestation of this precept.

Minnesota refuses to abandon this precept. By contrast, Wisconsin has experienced a new birth of freedom, both for taxpayers and for newly self-reliant workers.

—*Minnesota attorneys* **John Hinderaker** *and* **Scott Johnson** *are adjunct fellows of the Claremont Institute.*

You Get What You Ask For

Best & worst states in welfare reduction 1995–98	Change in caseloads	Type of penalty for non-work
#1 Idaho	– 78%	strong and immediate
#2 Wisconsin	– 74%	strong and immediate
#3 Wyoming	– 66%	strong and immediate
#4 West Virginia	– 64%	strong
#5 Mississippi	– 49%	strong and immediate
#47 Vermont	– 15%	weak
#48 Minnesota	– 11%	weak
#49 Rhode Island	– 5%	weak
#50 Nebraska	– 2%	strong and immediate
#51 Hawaii	+ 10%	weak

Source: "Welfare Reform and Caseload Decline," Robert Rector and Sarah Youssef, Heritage Foundation, 1999.

TOO QUICK ON THE TRIGGER, TOO LOOSE WITH THE FACTS

In recent years U.S. military forces have been selectively used to intervene in hot spots around the globe. But with no rational, consistent standards to govern where we involve ourselves, each adventure becomes an exercise in presidential caprice. As the *National Journal* noted amidst the Kosovo war, "the Clinton administration is involved in many [conflicts], but in almost inverse proportion to the death toll. Only a few hundred people were killed in Haiti before America intervened with 20,000 troops, [yet] in the Sudan, where nearly 2 million have died and 2 million more lives are threatened, the U.S. role is almost non-existent."

With U.S. military involvement being ordered so arbitrarily (and often without any clear connection to America's own security interests), a second, even more

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disturbing, pattern has evolved: the manipulation of U.S. public opinion through the use of inflated death claims, maudlin media coverage, and bombastic rhetoric from our political leaders.

In Kosovo, for instance, we were direly warned a massive campaign of "genocide" was underway, eliminating hundreds of thousands of innocent civilians. On April 19, as the U.S. was bombing, the State Department reported 100,000 Kosovar Albanians were feared killed by Serbs. "It is chilling to think where the 100,000 men are," intoned spokesman James Rubin. A month later, Secretary of Defense Cohen repeated the claim: "We've now seen about 100,000 military-aged men missing. They may have been murdered," he fretted.

It turns out our government had no factual basis for telling us such things. American observers have quietly admitted to the *Wall Street Journal* that the number of civilians killed in Kosovo may total "no more than 2,500".

America's recent, still lingering involvements in Kosovo, Bosnia, Haiti, several African nations, East Timor, and other locales have been exceedingly expensive in American treasure and lives and in foreign good will. They have brought deaths and injury to servicemen, seriously depleted our weapon stocks, strained military units enough to seriously reduce re-enlistments, and left our defense readiness in tatters.

Those are serious costs. If these missions are also encouraging our own government, and others, to lie to and manipulate the American public (often through the feckless media), then the price is simply too high.

The public is not stupid and will eventually catch on. One day the boy will cry "wolf!" and there will be no response. Let's hope there isn't a bona fide beast crawling out of the woods when that happens.

COLORFUL COMMUNISM

The North Korean news agency has a daily news page on the Web (www.kcna.co.jp). I go whenever I need a laugh, for every visit proves that Communist lunacies live on.

Any trifle involving the supreme leader gets fawning treatment. "General Secretary Kim Jong Il received a gift of a flower basket from the Minister of Foreign Relations of Mongolia and his entourage. The gift was handed to Vice Premier…" and so on. Obviously the revolutionary love of the Mongolian people for Kim Jong Il knows no bounds.

Another recent item noted, "General Secretary Kim Jong Il appreciated a performance given by the art propaganda squad of KPA combined unit no. 488. Accompanying him to see the performance were Director of the KPA General Political Department Jo Myong Rok, Generals Hyon Chol Hae and Pak Jae Gyong, and other KPA general officers. Put on the stage were colorful numbers such as a poem and chorus 'We will become today's seventh regiment,' a female vocal quartet 'We will hold our general in high esteem,' and a poem and chorus 'we will defend the headquarters of revolution with our lives.' General Kim Jong Il highly estimated the militant, appealing, and colorful performance reflecting matters of great importance…."

Nearly every day's posting is packed with enduring left-wing primitivism of this sort. Bet you didn't know "posters encouraging the working people in the forced march of socialism have been produced by fine art production centres of Korea. The Mansudae Art Studio made in a short time nearly 30 posters, including 'Forward, everybody, in the forced march for final victory,' 'Let us produce more electricity by building minor power stations,' and 'Let us put fish breeding on a scientific basis to produce more fish.'"

These are not spoofs: 24 million North Koreans live under this insanity. And millions of other souls in countries ranging from Cuba to the People's Republic of China must cope with similar forms of vestigial Communist gibberish.

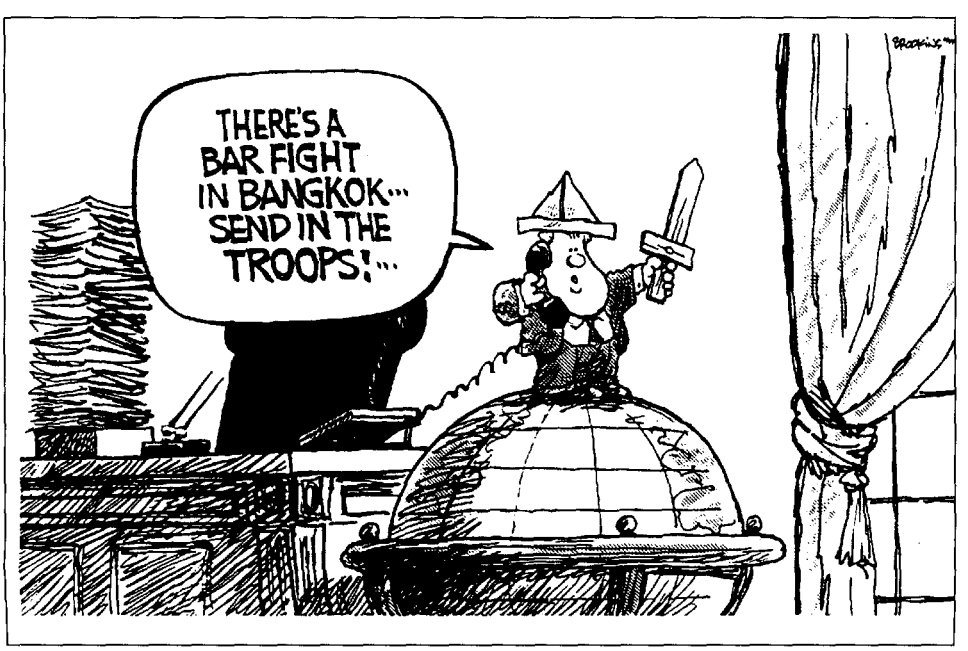
And you thought the home shopping channel was obnoxious.

—**Eli Lehrer** *is a* TAE *contributing writer.*

DO EXACTLY AS I SAY (NOT AS I DO)

This summer, regular TAE *contributor Michael Barone analyzed Hillary Clinton's political record and declared her a classic elitist centralizer (*U.S. News *July 12, 1999). Some excerpts:*

In her years on campus, 1965-74, crime and welfare rolls tripled and the nation lost its first war. The nation's leaders seemed to lose their legitimacy, and the high-test-score, self-admiring elite students at places like Wellesley and Yale Law felt entitled to step immediately into their places even as the students insouciantly disobeyed laws (against marijuana, for the draft) they found inconvenient. At Wellesley and at Yale Law, Hillary Rodham found her role: as an elite decision maker, operating through large institutions, trying to impose policies unlikely to win support on their own, and in the process disregarding rules and laws that bind everyone else.



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At different points in her career, she had a chance to put her ideas into practice. In 1978 Jimmy Carter appointed her chairman of the federal government's Legal Services Corporation (LSC). The lawyers running the LSC disdained their assigned task of providing poor people with free lawyers in routine cases and set out to make public policy through class-action lawsuits—an attempt to avoid the democratic process. When Rodham was chairman, Legal Services affiliates brought lawsuits to force New York's Transit Authority to hire heroin users and to require racial quotas in school suspensions in Newburgh, New York. The LSC broke its own rules by organizing campaigns against a state referendum and against Ronald Reagan.

There is an obvious resemblance between this heavily lawyered regime and the one she sought to impose through her health care plan a dozen years later, or the centralized day care she plugged in her book, *It Takes a Village*. There is a resemblance as well to her penchant for cutting corners and disobeying rules in the White House. It was while her husband was the Democratic nominee for attorney general of Arkansas, with no opposition, that Rodham allowed a leading Arkansas businessman and his broker to guide her to, if not allocate to her, $100,000 of commodity trading profits. In 1980, when her husband was under attack for raising license-plate fees, it turned out Rodham had not bothered to pay hers in 1977 and '78. It is a straight line from here to the illegally secret health care task force meetings and the Rose Law Firm billing records, out of sight for months and then found in the White House family quarters. The pattern is clear: rule making for others, rule breaking for herself.

Another approach comes from Yale Law contemporary Richard Epstein. He argues that a complex society works best not through centralization and complex rules but through decentralization and simple rules. Recent progress has followed from his approach, not hers. Crime and welfare rolls are now falling on as steep a curve as they were rising in 1965-74, not because of complex centralized legislation but because local politicians, like New York Mayor Rudolph Giuliani and Wisconsin Governor Tommy Thompson, came up with innovative programs based on simple rules. Does a decentralized nation need a centralizing leader, one eager to issue complex rules for others but unwilling to obey simple rules herself?

LAST WORDS ON ELEPHANT DUNG

Radical art historian Camille Paglia recently blasted the notion that only philistines would object to the Brooklyn Museum's controversial "Sensation" show. "I'm just as sick of 'Catholic bashing' as [Mayor] Giuliani," she wrote in *Salon*. "I resent the double standard that protects Jewish and African-American symbols and icons but allows Catholicism to be routinely trashed by supercilious liberals and ranting gay activists.... That a Jewish collector and a Jewish museum director had no compunction about selecting a parodic image of the Madonna...shows either stupidity or malice. The Brooklyn show has fomented hatred in this country."

Liberal columnist Mike Barnicle was even more specific. "Imagine for a moment if a guy named Kelly sat down at an easel, produced a painting of a black man being dragged behind a pickup truck driven by a laughing rabbi with a smiling Billy Graham standing on the bumper, urinating on the victim's battered corpse and decided to call it art. Would we all run to the museum, insisting that it be displayed, toasting Kelly while reading sympathetic puff pieces about him in the *New York Times*? ...Of course not. Why, the howling would wake up Eleanor Roosevelt."

Of course, the main question is whether public money should be used to support such exhibitions. The Brooklyn Museum has recently received not only the $7 million city subsidy that Giuliani wants to end, but also hundreds of thousands of dollars in recent years from the National Endowment for the Arts, the National Endowment for the Humanities, and the federal Institute of Museum and Library Services.

TAE contributor James Glassman noted a couple years ago that government subsidies don't just bring politicization of art, they bring mediocrity. He notes that during the New Deal, huge sums of federal money were dished out to artists, musicians, actors, writers, photographers, and dancers. Yet almost no memorable art resulted. What we got, Glassman reports after reviewing a collection at the National Archive, was "works that are dreary, unimaginative, condescending, and politicized—not much different from the worst of the 'socialist realism' in the old Soviet Union. Government money stifles creativity and produces 'art' that's hokey and hortatory. Also, subsidized art reflects the political views of the government officials who fund it. In the New Deal, this meant collectivism and greater authority for the state. In the 1990s, there's an emphasis on alternative sexual styles."

Today's government agencies have little to show for their billions in subsidies since 1965, Glassman notes. "In fact, just the opposite." The influence of public subsidies—which extends well beyond the dollars spent, since they provide an imprimatur for nervous corporate and foundation givers—may actually "explain the artistic drought we've suffered for the past 30 years."

But won't art wither without governmental aid? Hardly. Americans privately give $10 billion every year to the arts, culture, and humanities. They donate. They purchase artworks and tickets. The NEA, meanwhile, has an annual budget around $100 million. For that we get bad art and inflammatory politicization that the whole nation would be better off without.

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By Karl Zinsmeister

Indicators

WORKING FOR UNCLE

Is our federal government, centered in Washington, D.C., getting bigger or smaller?

Back in 1996 when President Clinton declared the era of big government over, he bragged that the number of federal employees was lower than it had been in years, and cited the "reinventing government" initiatives of Vice President Gore. The truth, reports a 1999 book called *The True Size of Government*, is a lot more complicated.

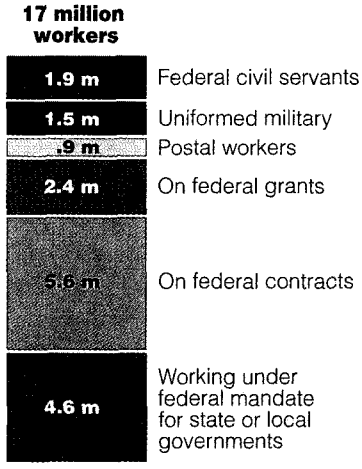
Continuing growth in the size of our national government is masked, Brookings Institution fellow Paul Light explains in the book, **by the fact that our D.C. leaders have been shifting more and more of their demands onto quasi-governmental agencies, state and local governments, and private workers.** Employees doing Washington's bidding in these sectors are not civil servants, but they are working for Uncle Sam.

This "shadow of government," as Light calls it, totals to an equivalent of 14 million full-time workers, broken out as follows:

- 5.6 million workers on federal contracts
- 2.4 million workers on federal grants
- 4.6 million workers fulfilling mandates to state and local governments
- 850,000 postal workers

Add these shadow workers to federal civil servants and our uniformed military and you get 17 million full-time-equivalent employees laboring directly for our national government (see chart below). By comparison, General Motors, Wal-Mart, Microsoft, and Boeing *combined* employ 1.8 million workers.

Washington's full shadow



Source: *The True Size of Government*, Paul Light, Brookings Institution. Data for 1996.

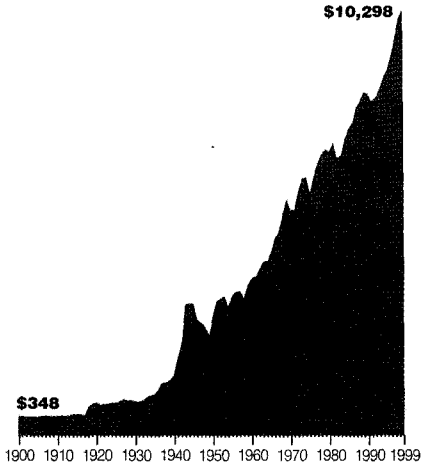
It's true, Light writes, that the number of civil servants plus military working for Washington declined by several hundred thousand over the last dozen years. But this was entirely a matter of defense downsizing thanks to the end of the Cold War. **Subtract the Department of Defense from the picture and you find that the core federal work force grew by 205,000 from 1984 to 1996.**

In fact, "the non-Defense Department civilian work force grew by nearly half from Kennedy's first inauguration to Clinton's second," Light finds. So much for shrinking the state.

POWER TO THE POTOMAC

Most Americans are well aware that the cost of government has soared during this century. **Per capita taxes streaked upwards from $348 per person in 1900 to $10,298 per person in 1999 (both figures expressed in constant 1999 dollars).** The graph below depicts that climb in vivid color.

Taxes per capita
Federal, State and Local, in constant 1999 dollars

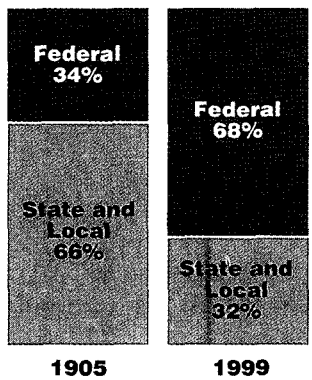


Source: Tax Foundation.

What is perhaps less well appreciated is that the *locale* of governmental activity has changed even more dramatically—from being primarily local to being primarily national.

State and local taxing and spending outweighed national taxing and spending by a 2:1 ratio in the beginning of this century. Today, that has completely reversed. Governmental exactions are now 2:1 federal rather than local.

Shift to the center
Composition of taxes paid by Americans



Source: Tax Foundation.

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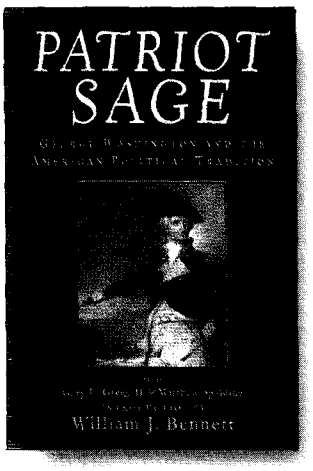

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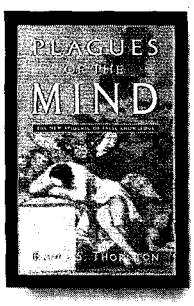

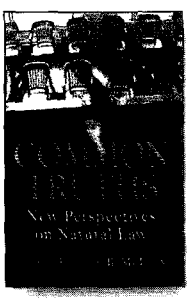

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James Glassman

Moving from Healthy to Wealthy

Over the past couple of decades, the U.S. economy has been a raging success at boosting incomes and creating jobs. The average American now has 50 percent more purchasing power after taxes than in 1980, and unemployment, at 4.1 percent, is the lowest in 30 years. We're still gaining an average of 200,000 net jobs a month—the equivalent of a new General Motors workforce every quarter.

But jobs and income alone don't provide the foundation for stable, comfortable living. Families need *wealth*—a store of financial assets (stocks, bonds, and cash) that can be turned to in an emergency, drawn upon in retirement, or passed on to heirs.

Today, despite the boom times, much of the nation is suffering from a "wealth dearth." Building wealth—especially among low- and moderate-income Americans—may be the most important economic challenge our nation faces.

How bad is the problem? A study released in October found that the median U.S. household has only $1,000 in net financial assets (stocks, bonds, CDs, savings and checking accounts, IRA and Keogh funds—minus any debt secured by those assets). Just one measly thousand dollars!

That figure was derived from five-year-old Census data by researcher Joseph M. Anderson. His breakdown showed that the bottom two-fifths of U.S. households had no financial wealth at all. The third fifth had median assets of just $1,199. Even the fourth fifth had only $9,850 in median net assets, while the top group had $73,000.

Much of this uneven distribution comes from age. In a separate study, Anderson found that families headed by a person aged 25 to 34 had a median wealth of zero, while the median for families headed by someone 55 to 64 was $4,800. But even $4,800 isn't much.

More troubling was Anderson's discovery that a decent income did not indicate a decent investment portfolio. Families with incomes between $50,000 and $75,000 had net financial assets of just $8,000.

What's going on here? Well, investing starts with saving, and Americans are consuming nearly every dollar they earn. Recently, the Commerce Department revised the way it calculates the personal savings rate, but the new higher figure is still only 2.5 percent.

One reason families don't save is that they don't appreciate the value of investing. In the October study, respondents were asked, What is "your best chance to obtain half a million dollars or more in your lifetime?" Some 41 percent of those with incomes from $25,000 to $35,000 said, "Win a lottery or sweepstakes," while only 33 percent said, "Save or invest a portion of your income."

If you invest just $25 a week in an investment that returns 9 percent annually (stocks have returned 11 percent, on average, over the past 70 years), you will accumulate $514,000 in 40 years. Better financial education along these lines is needed.

The good news is, many Americans are beginning to understand the power of investment—which is why nearly 20 million families became shareholders for the first time between 1996 and 1999, and why 48 percent of Americans now own stocks or mutual funds.

This recent surge in stock buying will show up in improved wealth statistics when more up-to-date figures come out. Nevertheless, very little wealth has yet been accumulated in the bottom half of American households. This is a serious problem for which poor public policy should take much of the blame.

Why should we, for instance, have tax breaks for homebuying, but not for saving and investing? The best—indeed only—chance that most Americans have for a decent retirement will come from investing in stocks. Let's help them. A good way to start is by allowing them to move a few percentage points of the Social Security taxes they pay (the program's retirement portion alone takes 10 percent of every worker's pay right now) into a personally owned account.

Or consider President Clinton's proposed Universal Savings Accounts (USAs)—a simple, quick method to let 124 million Americans start building wealth. USAs amount to a levy on higher-earners that is used to open investment accounts for lower-earners—one of the better uses for tax dollars. *(See* TAE *May/June 1999, pp. 76-77.)*

As more Americans acquire wealth, especially through stock ownership, they'll create a powerful "investor class" that could steer politicians toward policies that promote lower taxes, freer trade, and less onerous regulation. Citizens will align their interests more and more with the policies that create the nation's prosperity.

Richard Nadler recently observed in a Cato Institute paper that "The most significant demographic shift of this century is the rise of history's first mass class of worker capitalists—men and women whose wealth-seeking activities include both wage earning and capital ownership."

But right now, too many Americans have missed out on this revolution, and have little or no wealth at all. In the campaign ahead, smart politicians should help them acquire it.

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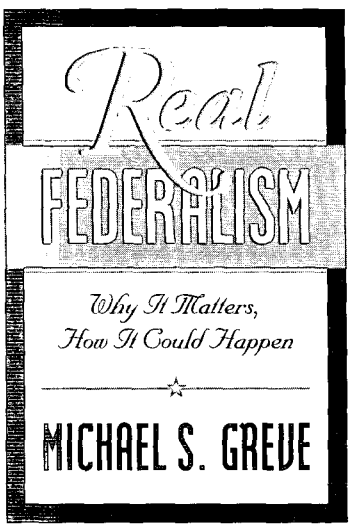

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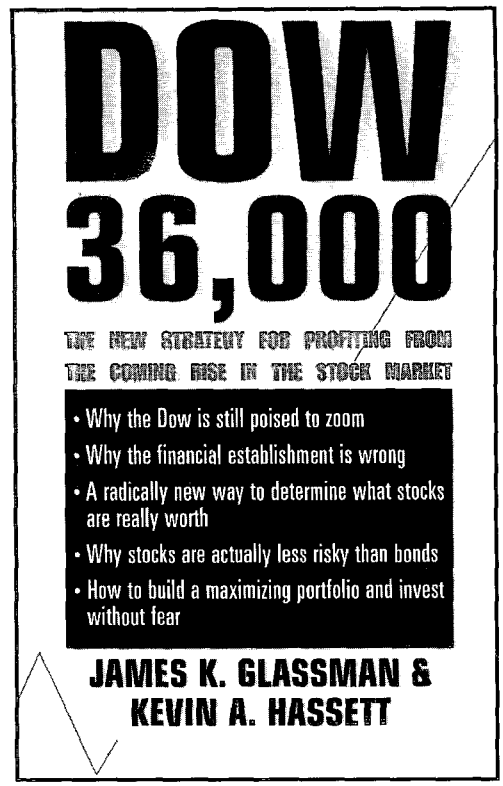

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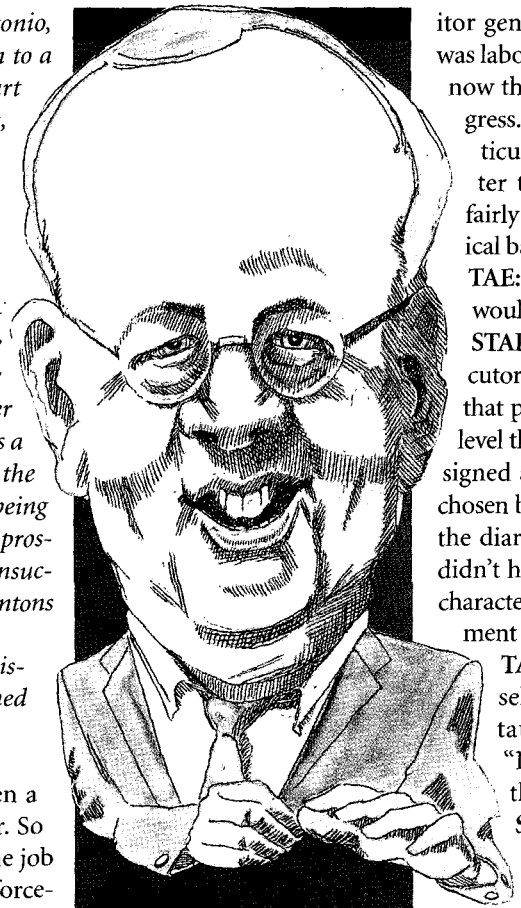
HAVING JUST RETURNED TO PRIVATE LIFE, INDEPENDENT COUNSEL KEN STARR REVIEWS, IN HIS REMARKABLY GINGERLY WAY, THE WHIRLWIND HE PASSED THROUGH OVER THE LAST SEVERAL YEARS.

Kenneth Starr

Kenneth W. Starr, 54, grew up in San Antonio, where his father was a minister. He went on to a distinguished legal career—Supreme Court clerk, partner in top Washington law firms, chief of staff to the U.S. Attorney General, judge on the D.C. federal appeals court, and solicitor general—yet his name will be forever linked with that of Bill Clinton, the President he spent five years investigating.

Starr's independent counsel investigation yielded 14 convictions or guilty pleas by such figures as Arkansas Governor Jim Guy Tucker and Clinton confidant Webster Hubbell. Although he has been caricatured as a relentless inspector Javert, obsessed with the Clintons, Starr has also been criticized for being too timid an investigator: Some of the career prosecutors on his staff reportedly urged him, unsuccessfully, to bring indictments against the Clintons and others close to them.

TAE *associate editor John Meroney visited with Judge Starr shortly after he resigned the independent counsel post.*



Looking back, there's no doubt I should have done more to explain to the public what we were doing.

TAE: You're a lawyer and you've also been a judge, but you've never been a prosecutor. So when you got the call in 1994 to take on the job of prosecuting the highest-ranking law enforcement officer in the country, how did you justify that in your own mind?

STARR: I viewed the job primarily as the exercise of judgment, which is what judges do day in and day out. I had also served two tours of duty in the Justice Department and was fairly steeped in the prosecutorial culture. But you're quite right. I'd never been a prosecutor as such.

TAE: So why did you take the job?

STARR: Congress felt that an independent counsel had a different set of responsibilities than a traditional prosecutor. They cited the appointment of Archibald Cox during Watergate as an appropriate kind of person to appoint, and he hadn't been a prosecutor at all. He had served in several positions in government, including solicitor general, but his academic field of interest was labor law, not criminal law. I felt then and do now that that was an appropriate call by Congress. We've now reached the stage in this particular investigation where I believe it's better to have a career prosecutor who can't fairly be portrayed as having any sort of political background.

TAE: It seems as though prosecutorial skills would have been invaluable to you.

STARR: The concern wasn't how much prosecutorial experience a person had, but whether that person is experienced in legal matters at a level that makes it appropriate for him to be assigned a very sensitive investigative task. I was chosen by the Senate Ethics Committee to review the diaries of Senator Robert Packwood, and I didn't have any experience in diary review. The characteristic that was being focused on was judgment and experience.

TAE: While you were independent counsel you worked at your law firm and also taught law school. Why didn't you say, "I'm going to devote full time to doing the work of the American people"?

STARR: Because the statute doesn't say that the independent counsel is a full-time position. Historically it was anticipated that the independent counsel would continue his law practice. The early independent counsels actually operated out of their law firms. I always gave this my very top priority. But I also had moral commitments to clients and individuals whom I had recruited before the appointment came. As time went on, it became utterly impossible as a practical matter for me to carry on a private practice given the nature and intensity of events here.

TAE: People were surprised to learn that through all of this, you never met Monica Lewinsky.

STARR: I wanted to depersonalize the process and provide every possible assurance that what we were doing was entirely professional. This wasn't a political operation. But I wasn't shy if a

Illustration by Lucinda S. Levine

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witness or his counsel expressed an interest in meeting with me.

TAE: How many times were you in the grand jury room during the Lewinsky phase of the investigation?

STARR: Rarely. That was done by experienced prosecutors.

TAE: Some of the attorneys on your staff who had extensive prosecuting experience reportedly urged you to bring indictments against the Clintons or those very close to them. Why didn't you let a jury determine guilt or innocence instead of you deciding for them?

STARR: I determined from the beginning that I wanted to follow the standard in the U.S. Attorney's Manual, that it must be more likely than not that one can secure a conviction based upon admissible evidence in view of the daunting standard of "beyond a reasonable doubt." When our staff came to that determination it was based upon a widely shared judgment that we could not in good conscience conclude that the standard had been satisfied. Prosecutors frequently speak of the difference between what they know and what they can prove. It would have been an abuse of power to bring a case if we didn't believe we had truly satisfied the governing standard.

TAE: Can there be instances where that standard of evidence is reached but other factors stop you from indicting someone?

STARR: If one believes one can satisfy it, then the issue is, Are there prudential reasons that counsel against the bringing of a particular set of charges? There are times when prosecutors will determine charges shouldn't be brought, and that's a judgment call. But what I want to emphasize is that we took such standards very seriously, and we went about the analysis quite rigorously. We would ask questions such as, Can that evidence come in? How credible is that particular witness? Those are the kinds of searching questions one has to ask before you say, How would the trial unfold?

TAE: Was the issue of whether jurors may have already sided against you a factor?

STARR: No, because the Justice Department standard is that one posits a fair-minded jury.

TAE: But there were reports that you had impanelled a grand jury in Alexandria, Virginia, because you didn't think District of Columbia jurors would be open-minded.

STARR: A federal grand jury here in Washington, D.C., returned the indictment against Webster Hubbell in two different matters.

TAE: Did you ever stop and think, "I'm too much of a gentleman to get caught up in Bill Clinton's sordid scandals?"

STARR: No.

TAE: But wasn't there a period, particularly when you started getting into evidence contained in the *Starr Report*—

STARR: I prefer to call it the "Office of Independent Counsel Referral."

TAE: Didn't you just ever say, "This is too filthy for me?" Not just the salacious stuff, but the general corruption of the Clintons and the people around them.

STARR: No. It was my duty. The responsibility was to go ferret out the facts under very difficult circumstances. And I'm very sorry to say that there wasn't transparency on the part of the subjects of the investigation.

TAE: By transparency, you mean telling the truth?

STARR: Openness. Cooperation. An attitude of, Tell me what it is you need to know and I'll provide all that information. We were met at every turn with invocations of executive privileges, some of which were entirely ill-founded. We experienced the opposite of cooperation.

TAE: Did that make you angry?

STARR: It disappointed me. But we simply had to put our hand to the plow and start moving forward again. I'm very pleased we were victorious where it ultimately counts, in courts of law. Whatever might have been happening in the swirl of public opinion, our important audience consisted of judges and occasionally juries.

TAE: You really came to appreciate Clinton business partner James McDougal as a person once he began cooperating with the investigation.

STARR: Jim McDougal made a fundamental decision to stop lying and to start assisting the forces of law rather than resist and attack them. He fashioned himself a true Southern gentleman and when he was off stage was very much that. He was a dreamer who dreamed great dreams but who had not been attentive to rules and regulations, and I believe he recognized his mistakes.

TAE: Now that you're no longer independent counsel, do you look back and agree with McDougal's observation that the Clintons are like tornadoes, going through people's lives, ruining everything?

STARR: There's certainly a sentiment in Arkansas to that effect, but I can't say that with respect to my own life because I didn't have a private business arrangement or friendship with them. I undertook a public responsibility and did my best to discharge it with the help of my colleagues. I dealt with the facts as I saw them, came to certain judgments, and the rest is history.

Jim McDougal made a fundamental decision to stop lying and to start assisting the forces of law rather than resist and attack them.

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TAE: Many parents had difficulty explaining Bill Clinton's sordid scandal to their children. You're a father. How did you deal with this issue?
STARR: We tried to keep the home as much a haven and refuge as possible. We didn't focus on the underlying relationship between Bill Clinton and Monica Lewinsky, but instead spoke to the need for loyalty to family and commitments to loved ones. Look at the very unfortunate and unhappy consequences that flowed from the President's decision not to tell the truth. Look at what the country went through. The nation itself has experienced the very powerful example of the need to deal with issues when we make mistakes. We all sin and fall short of the glory of God, and we ought to deal with that as opposed to compounding a mistake.
TAE: Do you believe Bill Clinton raped Juanita Brodderick?
STARR: I'm not going to comment.
TAE: Will there ever be a time when you will?
STARR: I don't know.
TAE: What would have to happen for you to talk about it?
STARR: (laughs)
TAE: Is there a time when you will say, "This is part of history," and eventually comment on a number of the things that you won't talk about now?
STARR: That question is premature. I don't mean that disrespectfully. I just haven't thought these things through.
TAE: How do you account for the ability of the Clinton administration to avoid severe legal consequences on anything?
STARR: Well, on the Arkansas part of the matter that I investigated, we came to the judgment that there wasn't substantial and credible information that Bill Clinton had committed those offenses. So there's an evidentiary lack of support for whatever the allegation might be. With respect to the recent unpleasantness, can one really say there's been no opprobrium when the President's own supporters, as embodied in the resolution of censure drafted by Senator Dianne Feinstein and supported by many Democratic Senators, condemned him in the sharpest language? More than 100 newspapers in the country called for his resignation. Many people in other countries were of the view that the honorable thing was for him to step down.
TAE: How did the American people benefit from Lawrence Walsh's lengthy, costly, and highly politicized investigation of the Iran-Contra scandal?
STARR: It would be inappropriate and unfair for me to talk about his case because I haven't studied it, though he's felt quite at liberty to comment with respect to my own responsibilities. I do wonder, however, why it was necessary to indict former Reagan Defense Secretary Caspar Weinberger on the eve of the 1992 presidential election.

There was complete agreement that we should zealously guard against taking action, or being seen as taking action, that could have an effect on the elections.

TAE: There was speculation that you were going to do the same.
STARR: There was complete agreement that we should zealously guard against taking action, or being seen as taking action, that could have an effect on the elections. That's why we were so anxious to provide the referral to Congress at the earliest possible time. We did it on the very first day Congress came back into session from its August recess in 1998, thereby allowing a number of weeks to go by before the election process started. We were determined not to engage in any "October Surprises," and especially no late-October, early-November surprises.
TAE: Walsh appeared on television frequently during his investigation, and then wrote a book arguing his side. You obviously didn't opt for his style.
STARR: That's right. And I think to a certain extent I was unwise in not following that example. Those who were unfriendly to our investigation took the field and went virtually unchallenged. Whether following the Walsh model would have proved efficacious is anyone's guess, and I'm not sure that being more public would have made a material difference.
TAE: What were the consequences of your approach?
STARR: While there was a good deal of misinformation bandied about, ultimately the facts did emerge, and the public was forced to come to its judgment. I think we're still seeing the results of that process. There's a growing sense that the President conducted himself in a decidedly unadmirable fashion. It's my hope and prayer that the special division's very wise choice of a career prosecutor to succeed me will help buttress that.
TAE: During Watergate, special prosecutor Archibald Cox used to have reporters over to his house for drinks where he would give them background information on the investigation. Why didn't you do that?
STARR: Perhaps I should have. Looking back, there's no doubt I should have done more to explain to the public what we were doing and what the rules were. At the time, I felt it was better simply to do what prosecutors' offices are supposed to do, especially in high-visibility matters, and that's to try to find the facts as quickly as possible, assess them, and come to a judgment. Because of the 24-hour news cycle, the echo chamber of the press, the ability of almost any-

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one to make a charge or accusation and for that to resonate—which ultimately eroded public confidence in the investigation—I should have been doing more than impromptu comments on my driveway to provide the assurances to the American people that matters were being handled honorably.

TAE: The Monica Lewinsky phase of the Clinton scandals made the Internet a real factor in the dissemination of news and information. Do you read the *Drudge Report?*

STARR: No. But I did when it raised specific questions or allegations.

TAE: Do you get your news through the Internet?

STARR: I still prefer the old-fashioned way, and I'm ashamed to say I get five newspapers at the house every morning.

TAE: You did your first official TV interview on ABC with Diane Sawyer. Why did you select someone so obviously hostile to you?

STARR: We should have selected a different format. We made a decision to go on a program with a large nationwide audience, and a number of the thoughtful or reasoned programs just don't have that kind of viewership. ABC News decided on the arrangement, including the interviewer. It was our judgment that while each of the networks had been taking the investigation seriously, ABC had a very consistent track record of seeking to unearth as many facts as possible and report them.

TAE: Did ABC air an accurate rendition of the interview?

STARR: There was too much showmanship and artificial dramatization, including forbidding music that strongly pointed to a negative slant. We were all surprised by that, so I can rightly be faulted for having agreed to such an arrangement rather than an unedited "Larry King Live"-type program.

TAE: Why did you consider running for the Senate from Virginia in 1994?

STARR: I was quite intrigued by the possibility of public service, and that was an area that was open. I took a very brief look at it, but as soon as I started examining the realities of the situation, and the burdens it would place on me and my family, I quickly decided that I would rather resume the practice of law.

TAE: Wasn't part of the reason that you wanted to run because you thought Oliver North, who was a candidate for the GOP nomination, was too conservative and the Republicans needed someone more moderate?

STARR: I don't think I want to get into specifics. I just made a decision that it was simply unwise and imprudent for me to try to jump into a race at that time.

TAE: Well, there's this image of you as a far right-winger. When there are reports that one of the reasons you considered running was because you thought North was too conservative, and that you were the moderate when you were on the bench with Judges Antonin Scalia and Robert Bork, it makes one wonder whether you've been accurately characterized.

STARR: Well, I'll leave it to others to characterize me.

TAE: Did your experience as independent counsel affect your spirituality?

STARR: It strengthened it, because going through a difficult period is a useful reminder of our own weakness and frailty. Bishop Fulton Sheen once said, "An atheist is an individual who has no invisible means of support." It was very comforting and encouraging for me to know that that invisible means of support was there. My church was strongly supportive in providing comfort and succor, and people of faith throughout the country wrote me notes and letters of encouragement.

TAE: Did you respond to them?

STARR: We tried, but there was a flood tide of correspondence, so I'm fearful many did go without a response, and I feel badly about that.

TAE: Is there a contemporary politician you admire?

STARR: I certainly have the most profound respect for Ronald Reagan.

TAE: In the last 30 years, there's a sense that the Supreme Court has increasingly usurped power. Patrick Buchanan has a line in his campaign speech where he says, "We need a President and a Congress that will pick up the whip the Founders left in Article III of the Constitution and herd the justices back into the narrow stalls to which they were first consigned by Hamilton and Madison." Do you agree?

STARR: I think in the recent past the idea that the Court has been telling us how we ought to govern ourselves was a fair complaint. But I don't think that's the case today. This is a prudent, careful court that's proceeding quite incrementally in contrast to the example in the early 1970s, when, for example, in *Roe v. Wade*, the Court was breaking controversial new ground on fairly weak reasoning.

TAE: So has the Supreme Court been faithful to the principles of federalism?

STARR: Yes, and it's been controversial. There's a very substantial school of thought saying the Court has been overly aggressive in defending the prerogatives of the states against the powers of Congress. It's been rather Jeffersonian and anti-federalist in thrust in recent years, telling Congress and the President that they can't be ordering and dictating the way life is lived in the states unless there is a clear constitutional basis for it. So I think the Court is now doing an admirable job, consistent with traditions of judicial restraint.

TAE: You were a student at Duke Law School just as the Watergate scandal was getting underway. What did you think about Richard Nixon, who was a Duke Law graduate?

STARR: As a very loyal alumnus, I was eventually embarrassed.

TAE: Considering the experience the nation has had with Richard Nixon and Bill Clinton, isn't the country better off without a President who's a lawyer?

STARR: Well, there are clearly advantages to legal training.

TAE: You were appointed to the bench by a former actor.

STARR: I would shy away from making a generalization that it's better that the President be a non-lawyer. Lincoln was a wonderful lawyer, extremely gifted. I've been to his law office in Springfield and have seen complaints he drafted in his own hand. He was an honest lawyer. It wasn't Lincoln's legal training that led him to focus so tenaciously on preserving the union—that came from within—but, at the same time, I don't think having been a very successful practicing lawyer for so many years made him temporize about what is truth. (laughs)

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Students do better in Small Schools

So why have we been making schools bigger?

By Philip Langdon

One of the most dubious educational campaigns of modern times was the long-running effort to consolidate many small schools into centralized large schools. I know because I attended a small school that was wiped away by consolidation fever. I also know because I've spent recent weeks reading the increasingly plentiful research showing that small-school students do better than big-school students in almost every way.

In June 1965, 58 other seniors and I walked onto the stage of northwestern Pennsylvania's Wesleyville High School to accept our diplomas. The following year a consolidated institution, Iroquois Area High School, opened in the neighboring Lawrence Park Township, and Wesleyville's building was demoted to an elementary school. Gone was the home of the Bulldogs, for decades a source of pride and unity among the 3,000-plus inhabitants of our one-square-mile borough.

Wesleyville's history stretched back to about 1810, when religious-minded people named their settlement near the south shore of Lake Erie for John Wesley, founder of Methodism. By 1850 concern among residents about moral issues ran so strong that Wesleyville became a station on the Underground Railroad, helping runaway slaves escape across the lake to Canada.

In 1959, when my family enrolled me in sixth grade, Wesleyville, just eight blocks wide and 11 blocks long, had been overshadowed by the adjacent city of Erie, a manufacturing center that blessed the world with Kold-Draft beer coolers, Hammermill paper, General Electric locomotives, Marx toys, Bucyrus-Erie construction equipment, and the output of an untold number of tool-and-die shops. Wesleyville was still, however, a lively little place containing about two dozen small, locally owned stores, eight or ten eating and drinking establishments, four churches, a movie theater, a creek, a dump, a trailer park with drives named Fleetwood and Ventoura, an assortment of closely spaced houses—and one school. The sober, two-story red brick school stood on leafy Willow Street smack in the center of the borough, summoning youngsters from kindergarten all the way up through twelfth grade. Children walked to school in the morning, walked home for lunch, walked back for afternoon sessions, then walked home again when classes were over.

Philip Langdon

But the Cold War provided a formidable rationale for doing away with such schools. Harvard President James Bryant Conant, leader of the campaign to abolish small schools (especially high schools that graduated under 100 students a year), asserted that Americans who resisted consolidation were "still living in imagination in a world which knew neither nuclear weapons nor Soviet imperialism." Declared Dr. Co-

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THE NUMBER OF PUBLIC SCHOOLS FELL FROM ABOUT 200,000 TO 62,037.

nant darkly: "They believe they can live and prosper in an isolated, insulated United States." His arguments, which brought to culmination a long history of progressive thinkers' attacks on small schools, helped spur state governments into closing great numbers of schools and herding the students into bigger institutions with more modern equipment and more advanced curricula.

There was just one problem: Students do not actually fare better in big schools. At Wesleyville, where the final, 59-person Class of 1965 was by local standards a *big* class (the pre-baby boom Class of '61 numbered just 32), students knew one another's names, personalities, and often their families, religious affiliations, and other attributes. At Wesleyville no one got lost in the crowd, not even those who considered themselves "loners," like Bill Wittenberg. Wittenberg, a 1964 graduate who now manages the borough government, says the school's intimate atmosphere helped him immeasurably. "Being able to walk down the hall and say, 'Hi, Lynn, hi, Terry' bolstered my spirit, my self-confidence," he recalls. "I had the opportunity of knowing everybody in the classes I was in as a senior and of knowing most of the school's students all the way down to seventh grade."

The recent mass murders in American high schools have demonstrated that adolescents' state of mind is important. School massacres have been disproportionately a large-institution phenomenon. Columbine High School in Littleton, Colorado, where a pair of students killed 13 others and then themselves, had an enrollment of 1,965. Thurston High School in Springfield, Oregon, where a 15-year-old boy shot 24 students, had 1,500. Research since the mid-1980s has consistently found that big schools exacerbate antisocial tendencies. "Behavior problems are so much greater in larger schools that any possible virtue of larger size is canceled out by the difficulties of maintaining an orderly learning environment," education researchers Jean Stockard and Maralee Mayberry declared in a 1992 study.

It isn't just horrendous events like school shootings that should be of concern. What matters is the ability to form satisfying relationships. Thirty years ago approximately 40 percent of Americans considered themselves shy, according to Philip Zimbardo, founder of shyness research at Stanford University. Today about 50 percent say they're shy. Most likely this rising social discomfort stems from daily life's having become more isolating and impersonal. Youths have their own bedrooms, their own TV sets, and detached pursuits such as computers, and they have less meaningful contact with parents, aunts, uncles, and local people. Small schools—such as high schools with no more than 100 students per grade level—are valuable in part because they provide a setting full of familiar faces, an encouraging environment for learning social skills and community responsibilities.

Ironically, one argument for consolidation was the array of extracurricular activities big schools could offer: more clubs, more sports, more choices. Unfortunately, experience proves that as school size grows, the rate of participation drops. Just try to become a cheerleader or a basketball player in a school of 2,000 or 3,000 (a common size for today's high schools). The result will usually be rejection. "The bigger the schools get, the more people who are marginalized," says education researcher Kathleen Cotton.

Not only do a higher proportion of students in small schools join in extracurricular activities. "They have an ability," says Cotton, "to fill more important roles." That certainly rings true with me. Despite being nervous in front of groups, I served as president of my class one year, as editor of the yearbook, president of the debate club, president of the chess club, and as Barry Goldwater's representative in the school's 1964 mock presidential election. In a small school, show some enthusiasm or a little ability and you have plenty of chances to prove your mettle. As Cotton says, "In a small school, you can be *somebody*."

At the same time, small-school students benefit from closer ties with teachers. Deborah Meier, author of *The Power of Their Ideas: Lessons for America from a Small School in Harlem*, points out that teachers who deal with a limited number of youngsters learn how to read their moods and understand how to communicate with them. This encourages teachers to expend extra effort. At Wesleyville, math teacher Anthony Foffi sometimes came in early or gave up his lunch hour to help a student who was having trouble. Wittenberg, who came from a family with difficulties, remembers Doris Johnson, the plump history and social studies teacher who lived three blocks from the school, as possessing an uncanny ability to sense his needs. "When my father wasn't in a position to help me," Wittenberg says, "Miss Johnson would ask, 'Are you doing anything this weekend, Bill?' I'd say no, and she would ask, 'Could you come by and do my windows?' And when I'd washed a few windows, she'd give me a $20 bill—which was a lot of money in those days."

It's not that teachers in big schools have less generous souls. They simply cannot get to *know* a large number of students. If teachers are to act on their best instincts, they need an environment that fosters closeness.

Meier, who led a low-income, mostly Hispanic and African-American high school in Harlem to impressive academic achievement, says small size is also a key to effective school governance. Only when the number of teachers in a school is small can they hash out policies and procedures together and avoid the bureaucratization that deadens big institutions. "We can reschedule one afternoon and put a new agenda into practice the next morning. We can undo them just as fast," Meier writes. "Changes don't require Herculean coordination or time-consuming bureaucratic arranging."

A small faculty can assess one another's work. "Only in a small school can teachers know who talks well but doesn't teach well, and vice versa," Meier observes. "They know who is late, who is unprepared, and who in quiet and unexpected ways comes through for their kids and colleagues." The ideal size of school, according to Meier, is one small enough so that all the

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Wesleyville school today.

Philip Langdon

teachers can go into one room and gather in a circle. When they can do that, the school is in a position to take initiative, refine its methods, and develop a distinctive character.

Yet schools continue to get bigger. From 1940 to 1990 the number of elementary and secondary public schools fell from about 200,000 to 62,037, a 69 percent drop–despite a 70 percent rise in the U.S. population. Officials go on trying to make schools more "efficient" through consolidation, as if the manufacturing sector's economies of scale could be applied to the education of human beings.

Harry Farnbaugh, who taught history and social studies at Wesleyville and later at Iroquois (which was about two-and-a-half times Wesleyville's size), insists bigger schools do have some advantages. Whereas Wesleyville had only the most rudimentary science facilities, "Iroquois had a *planetarium* and a full-time planetarium teacher, who taught adult classes in the fall," Farnbaugh notes.

Athletic facilities were far superior at the new school. Sports fields lay right out the door. At Wesleyville, by contrast, behind the school was only an asphalt playground. The football team had to walk three blocks down Eastern Avenue—past Messiah Lutheran Church, past a pizza joint, across busy Buffalo Road, and past Russ's Dinor (yup, that's the way they spell it), and other businesses—to reach the football field off Pearl Avenue in the poorer side of the borough. No coach would welcome that daily excursion. But come to think of it, the trek through the business area helped make the maroon-and-white-uniformed Bulldogs the *community's* team.

Our school so badly needed participants that some boys on the football team changed uniforms at half-time and joined the band. When the musical performance was finished, they would switch back and became football players for the game's second half.

Basketball facilities in Wesleyville were quirky. Wesleyville couldn't afford both a gymnasium *and* an auditorium in 1918 when the school was built, so the Bulldogs played in a peculiar combination facility—the basketball court actually occupying the school stage, elevated about four feet above the auditorium's floor. Sports reporter Doug Smith at the Erie *Times-News* used to write snidely about the "court on a stage" or—his alternative insult—the "matchbox court." Some people thought Wesleyville enjoyed an unfair home-court advantage: Visiting teams, they maintained, were afraid of running off the stage and falling to the auditorium floor. Maybe so. My own theory is that the Bulldogs had winning seasons in basketball (despite being the smallest school in the league) because the court's miniature size allowed the team to perfect its shooting game; the court was so small that the center circle touched the semicircles that extended from each of the keys. In four of the home games in 1963-64, the Bulldogs scored over 100 points. By the end of a game, the ears of everyone in the auditorium would ring from the shouting, whistling, clapping, and stomping.

We took low-budget sports facilities for granted. What mattered was that students who would have been relegated to spectator status at a big school got the thrill of contributing at little Wesleyville.

After every basketball game, a well-muscled student from Wesleyville such as the handsome, stout-hearted Jim Langley would take on the opposing school's tough guy in a fist fight. The fight was almost as regular an event as the game itself. In retrospect, these battles were probably pretty tame. But antics like those, and small-town rivalries in general, struck the school consolidators as hopelessly parochial—just one more sign that something as crucial as the educational system of the leader of the free world should not be entrusted to local yokels. Big schools were the prescribed antidote, transferring power to professionals who understood education's true ends.

Too bad. The professionals turned out to be the agents of bureaucratic entanglement. Too bad, too, because small-school passions stirred intense local pride. When robust local rivalries waned, a void was created. People need things that bring meaning to their lives, and I suspect the disappearance of local enthusiasms made people more susceptible to substitute thrills like drugs.

Small-school events brought the community together, including adults who had no children in the school. At Wesleyville High, one man who cheered students on was the late Gus Dusckas, a tall, effusive Greek-American who ran Dusckas Funeral Home. Gus had a knack for bucking up others' spirits. He hired Wesleyville kids for political errands like distributing leaflets for county Republican candidates. He helped students find summer jobs. He was generous with money. He acted as Wesleyville's benefactor.

Not everything was wonderful. The small number of students limited the range of instruction. Only two foreign languages were taught at Wesleyville: Latin and a dubious French. Every student from the quickest to the slowest shared the same English, history, and science classes. On the occasions when everyone in a 30-person English class took turns reading paragraphs aloud from *Silas Marner* or some other torpid novel, I was astonished by how haltingly some kids picked their way through the text. Wesleyville had no Advanced Placement courses. Harry Farn-

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baugh, a teacher of serious mien who enriched our "Problems of Democracy" class with excerpts from *The New Republic* and *U.S. News & World Report*, outspokenly told us that the school was not as innovative as it ought to be. He was probably right.

Yet we came out of that small school well-motivated. The 59 individuals, from a range of white-collar and blue-collar families, have accomplished much more than school consolidators might have expected. Howard Roth, whose father worked as a foreman at the GE plant, earned a Ph.D. and by his forties became the chief economist of the nation's fourth largest bank. Nancy Coleman, the brainy daughter of a plumber, settled in the Washington area and played a key role in the public relations and media campaign against the Supreme Court nomination of Robert Bork. Mark Ripley, a quietly industrious Eagle Scout whose father was the borough secretary, has carried out challenging assignments across the country for GTE and its cellular phone service. Bill Saxton, son of a Wesleyville teacher, became a campus minister to international students at Penn State after serving in, among other places, Calcutta with Mother Teresa's organization. I lost track of the bitter boy who used to arrive late, supposedly from a reformatory, with a pack of cigarettes bulging from the arm of his T-shirt; the teachers may have been unable to save him from what looked to be a hard road. But the majority of the class seems to have done all right, and some have performed outstandingly. A number of classmates achieved successful careers in engineering, law enforcement, and the military.

Meanwhile, the national results of consolidation have also been tallied. In extensive research conducted mostly in the 1980s and '90s, small schools have overwhelmingly been found to generate better outcomes among students. Small-school students "experience a much greater sense of belonging," Kathleen Cotton wrote in a 1996 report that summarizes the results of more than 100 studies and reviews. Attendance and dropout rates are better in small schools. "Not only do students in small schools have higher attendance rates than those in large schools," says Cotton, "but students who move from large schools to small, alternative secondary schools generally exhibit improvements in attendance."

Social disruption? Students in small schools commit fewer infractions, major or minor, says Mary Anne Raywid, a professor emerita at Hofstra University. "The states with the largest schools and school districts have the worst achievement, affective, and social outcomes," Cotton observes. Raywid says research shows that "students learn more and better in small schools." They progress toward graduation more rapidly and are more satisfied with their school. All this, says Raywid, "is particularly true for disadvantaged students, who perform far differently in small schools and appear more dependent upon them for success than do more fortunate youngsters." Digests of many of the school-size studies have been compiled by the Education Resources Information Center's Clearinghouse on Rural Education and Small Schools, in Charleston, West Virginia (800-538-3742). The advantages of small schools hold firm whether the schools are rural or urban.

TO THE SCHOOL CONSOLIDATORS, SOMETHING AS CRUCIAL AS EDUCATION SHOULDN'T BE ENTRUSTED TO LOCAL YOKELS.

What is the best size for a school? Limits of 350 students for elementary schools and 500 for high schools have been recommended by the Cross City Campaign for Urban School Reform. Some researchers have suggested an effective range is from 400 to as high as 800 or even 900, though 900 is rejected by others as too big. The low end of the range, which seems to produce the greatest community benefit but perhaps not the greatest individual achievement, is interpreted by some as suggesting 300 students for a school containing grades 10, 11, and 12, or suggesting 400 students for a school encompassing grades 9-12.

Supporters of consolidation have often contended that bigger schools are more cost-effective. That claim often is correct when measured in cost per student. But many of the students attending enormous high schools—New York City has high schools whose enrollments approach 5,000—drop out. A better measure is the *cost per graduate*. By that standard, small schools come out less expensive.

Cotton, like many other researchers, believes size is a crucial factor for any improvement that people want to make in public education. As long as students continue to be herded into big schools, other approaches to school reform are, she says, "like rearranging the deck chairs on the *Titanic*."

Existing oversized schools can be, and increasingly are being, subdivided into "small schools." Each small school doesn't need a separate building. Meier argues that what's important is that each small school have genuine autonomy. The school must have the power to hire and fire faculty and staff and the ability to make a whole range of decisions without the interference of a larger bureaucracy. Small schools can also band together to deliver certain services they cannot provide adequately by themselves.

Michael Klonsky at the University of Chicago has started a Small Schools Workshop to help people organize and maintain small schools. New York and Los Angeles have also shown strong interest in small schools. "The small-school movement, whether we're talking about charter schools or small public schools coming into being, has been experiencing a real groundswell," Cotton notes.

Reversing the trend toward large centralized schools will require determination. "The big, mindless high school, no matter how dysfunctional, has many fans, including kids," cautions Meier, who now heads a 150-student K-6 charter school in Boston. "When we talk with school officials and local politicians about restructuring large high schools, the first thing they worry about is what will happen to the basketball or baseball teams, the after-school program, and other sideshows; that the heart of the school, its capacity to educate, is missing, seems almost beside the point."

But failure has been a stern teacher. America now has plenty of proof that bigger and more centralized is not better. Now the nation needs to act on that knowledge, state by state, district by district, school by school.

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TYRANNY in Bricks & Mortar

By James Scott

The Swiss-born French essayist, painter, architect, and planner Charles-Edouard Jeanneret—better known by his professional name, Le Corbusier—was a twentieth-century architect and planner of planetary ambitions. At one time or another he designed buildings or proposed city-planning schemes for Paris, Stockholm, Geneva, Barcelona, Moscow, Marseilles, Algiers, São Paulo, Rio de Janeiro, Buenos Aires, and Chandigarh, India. Le Corbusier promoted hugeness, hierarchy, and centralism in city structure, and was tremendously influential in leading other modern architects in the same direction. He called for "universal...total city planning," urging "let's make our plans...on a scale with twentieth-century events.... Big! Big!"

In his designs for a new "business city" for Buenos Aires, for instance, the full plan can be discerned only from a great distance. Buenos Aires is pictured in his drawings as if seen from many miles out to sea. In his vast housing scheme for 90,000 Rio de Janeiro residents, the project is seen as if from an airplane miles high. We behold a six-kilometer-long highway elevated 100 meters, enclosing a continuous ribbon of 15-story apartments. The new city literally towers over the old. Le Corbusier also proposed remaking the center of Paris into a modernist city of 3 million; in his schematic, vehicles on major avenues are but dots.

Upon viewing some small rural properties from an airplane, Le Corbusier complained of "infinitely subdivided, incongruously shaped plots of land...tiny holdings that render the miraculous promise of machinery useless. The result is waste: inefficient, individual scrabbling." He was offended by unorchestrated disunity, and wished to impose new order at a bird's-eye view.

Le Corbusier's proposed cities could be anywhere at all—he refused to make any concession to local tastes, history, or traditions, and had no patience for environments that had grown up independently over time. "We must refuse even the slightest consideration to what is," he insisted. A city should be treated by its planner as a "blank piece of paper," a "clean tablecloth," upon which a single, integrated composition is imposed. His new cities would be "organized, serene, forceful, airy, ordered."

It was in this context that Le Corbusier was drawn to the USSR and the developing countries—and their powerful rulers. There, he hoped, the high-modernist social engineer would not be cramped as in the West, where a dispersion of power among many competing groups and individuals made it possible to practice only what he called an "orthopedic architecture."

In the Le Corbusian city, human needs were scientifically stipulated by the planner. The subjects for whom the plan was made were not thought to have anything valuable to contribute. Common people were referred to by the planner as "a dead weight on the city, an obstacle...human garbage." He asked, "Is there anything more pitiful than an undisciplined crowd?"

Master designs can powerfully reshape a society, Le Corbusier suggests, but for this to occur the designer must be prepared to act ruthlessly. He warned that in ancient Rome, where "the plebes lived in an inextricable chaos of abutting [warrens]...police activity was extremely difficult." He noted that "St. Paul of Tarsus was impossible to arrest while he stayed in the slums, and the words of his Sermons were passed like wildfire from mouth to mouth."

It is impossible to read Le Corbusier or see his architectural drawings without noticing his mania for simple, repetitive lines, and his horror of complexity. "The human mind loses itself and becomes fatigued by such a labyrinth of possibilities. Control becomes impossible," he explained. "I eliminate all those things," he announced proudly, stating, among other things, that "I insist on right-angled intersections."

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Le Corbusier welcomed prefab construction of houses and office blocks from parts built in factories. He called for the standardization of all building elements. Door frames, windows, bricks, roof tiles, even screws should conform to uniform prescriptions. The new standards should be legislated by the League of Nations, and a universal technical language should be compulsorily taught throughout the world, Le Corbusier's followers urged in a 1928 modernist manifesto. Le Corbusier insisted that all measurements, all ventilating standards, all lighting, all equipment and appliances, and all domestic aesthetics should be the same for all latitudes and all needs. "We must find and apply new methods... lending themselves naturally to standardization, industrialization, Taylorization," he wrote in 1929.

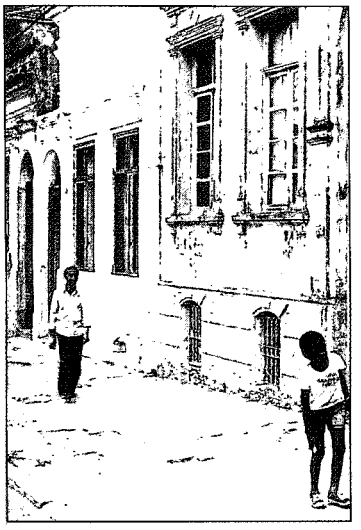
One of Le Corbusier's central design dogmas was strict separation of societal functions. There would be separate zones for workplaces, residences, shopping and entertainment centers, and monuments and government buildings. Where possible, work zones were to be further subdivided into office buildings and factories. This principle became standard urban-planning doctrine in Western countries for most of the century.

The logic of rigid segregation of functions is that it is far easier for a planner to shape an urban zone if it has just one purpose. When several or many purposes must be considered, the variables that the planner must juggle begin to boggle the mind. And Le Corbusier liked to control all variables. He calculated the air, heat, light, and space requirements of humans and settled on 14 square meters per person—but reckoned that this could be reduced to ten square meters if such activities as food preparation and laundering were communal.

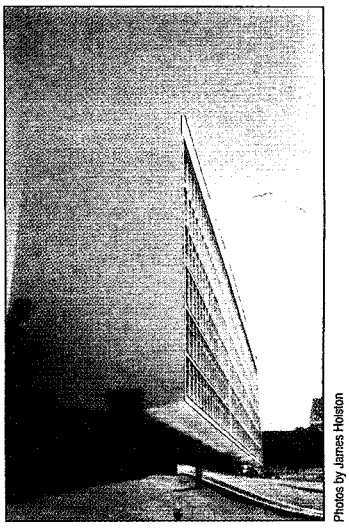
The very first of Le Corbusier's design principles was his dictum that "The Plan" (always capitalized in his usage) is a "Dictator." It would be difficult to exaggerate the emphasis that Le Corbusier placed on making an entire city bend to one single, rational plan. He repeatedly contrasted traditional cities (products of dispersed power and evolution across history) with the city of the future, which would be consciously formulated from start to finish by one scientific designer.

Le Corbusier's doctrine required total centralization. In his cities, a centrally located core performed the "higher" functions. "From its offices come the commands that put the world in order. In fact, the skyscrapers are the brain of the city, the brain of the whole country. They embody the work of elaboration and command on which all activities depend. Everything is concentrated there: the tools that conquer time and space—telephones, telegraphs, radios, the banks, trading houses, the organs of decision for the factories: finance, technology, commerce."

The center does not *suggest*, much less consult; it issues commands. The authoritarianism at work in this modernist view stems from Le Corbusier's love of the order of the factory. In a factory, he effused, "There is a hierarchical scale." Workers



Residential neighborhood in São Paulo, Brazil.



"Superquadra" apartment block in Brasília.

Photos by James Holston

"accept it so as to manage themselves like a colony of worker-bees: order, regularity, punctuality, justice, and paternalism."

The urban planner is to the design and construction of the city as the engineer is to the design and construction of the factory—a single brain directs both. And the centralized hierarchy doesn't stop there. The city is the brain of the whole society. "The great city commands everything: peace, war, work." Whether it is a matter of clothing, philosophy, technology, or taste, the great city dominates and colonizes the provinces: The lines of influence and command are exclusively from the center to the periphery.

At the apex of society, Le Corbusier believed, should be a modern philosopher-king who applies scientific truths for the well-being of all. Naturally, the king executes his guidance through his master planner—the uncoverer of these truths. In his book *The Radiant City* (published in 1933 and republished in 1964), Le Corbusier overflows with admiration for his own genius: "I drew up plans, after analyses, after calculations, with imagination, with poetry. The plans were prodigiously true. They were incontrovertible. They were breathtaking. They expressed all the splendor of modern times."

Under his modernist faith, Le Corbusier feels entitled to claim implacable scientific authority. He insists that

> "The despot is not a man. It is the *Plan*...drawn up well away from the frenzy in the mayor's office or the town hall, from the cries of the electorate or the laments of society's victims. It has been drawn up by serene and lucid minds. It has taken account of nothing but human truths. It has ignored all current regulations, all existing usages, and channels."

Because there is a single, true answer to planning problems, no compromises are possible.

Le Corbusier was aware that his kind of root-and-branch direction requires authoritarian measures. "Once his calculations are finished," Le Corbusier wrote of the planner, "he is in a position to say...*It shall be thus!*" Much of Le Corbusier's career

Yale professor James Scott is author of Seeing like a State: How Certain Schemes to Improve the Human Condition Have Failed, *from which this is adapted.*

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can be read as a quest for a prince who would anoint him. He exhibited designs for the League of Nations, tried to have himself appointed as regulator of planning and zoning for the whole of France, pushed for the adoption of his plan for a new Algiers, and lobbied the Soviet elite to let him remake Moscow.

What drove Le Corbusier's captivation with the Soviet Union was the prospect that a revolutionary, high-modernist state might prove hospitable to a visionary planner. After building the headquarters of the Central Union of Consumer Cooperatives (Centrosoyuz), he proposed, in plans prepared in only six weeks, a vast design for rebuilding Moscow in line with what he thought were Soviet aspirations to create an entirely new mode of classless living. He referred often to Sergei Eisenstein's films celebrating tractors, centrifuge creamers, and huge farms, and promised comparable machine-led transformations of Russian cities.

But not even the Soviet Union was quite up to his sweeping centralist ambitions. Stalin's commissars found his plans for Moscow too radical. The Soviet modernist El Lissitzky attacked Le Corbusier's Moscow as a "city of nowhere...a city on paper, extraneous to living nature, located in a desert through which not even a river must be allowed to pass (since a curve would contradict the style)." As if to confirm the "city of nowhere" charge, Le Corbusier later recycled his design—simply removing all references to Moscow—and presented it as a plan for central Paris.

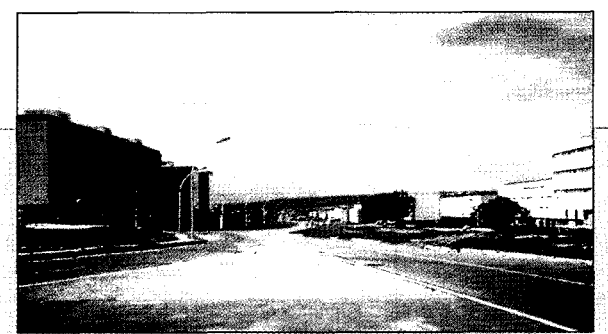
Finally, under the patronage of Jawaharlal Nehru in India, Le Corbusier found a state authority that would give him a free hand. Nehru invited him to finalize the design and supervise the construction of Chandigarh, his new capital of the Punjab. Nehru was a centralizing modernist himself, and wanted a capital that would dramatize the beliefs of the new Indian managerial elite. Le Corbusier's modifications of initial plans drawn up by other modernist architects added even more monumentalism and linearity. For instance, he replaced the housing that had been planned for the city center with an "acropolis of monuments" on a 220-acre site at a great distance from the nearest residences. In place of large curves, Le Corbusier substituted a rigid grid. In place of bazaars crammed with individual merchants and crowds of people he substituted huge squares that today stand largely empty.

LE CORBUSIER REFUSED TO MAKE ANY CONCESSION TO LOCAL TASTES, HISTORY, OR TRADITIONS.

Whereas road crossings in India had typically served as public gathering places, Le Corbusier arranged the zoning and layout to prevent animated street scenes. "The width between meeting streets is so great that one sees nothing but vast stretches of concrete with a few lone figures here and there," one observer noted. Le Corbusier and his sponsors tried to wipe away the old India and present Chandigarh's residents—largely government administrators—with an image of their future.

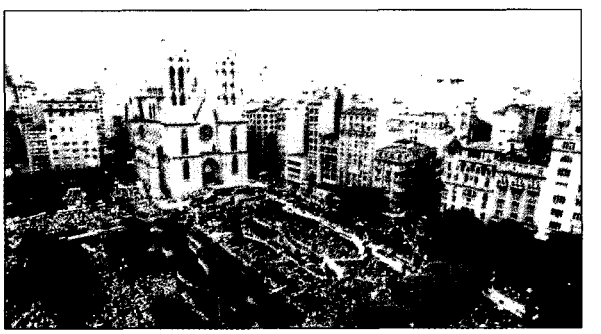
The upshot, however, was the growth of separate little unplanned cities at the periphery of Le Corbusier's austere, authoritarian, ordered center. In these spontaneous hamlets one finds the small-scale street traders, the meeting places, the hawkers, the social spots that the master architect forced out of his central districts. Human nature and variety, it turned out, could not be banned, merely dislocated.

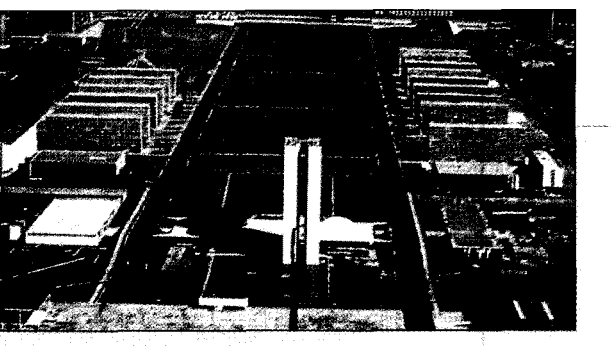
Photos by James Holston



Top: City street in São Salvador, Brazil.
Bottom: Residential Access Way L1 in Brasília.

Photos courtesy of James Holston





Top: Main square in São Paulo.
Bottom: Central plaza, flanked by ministries, in Brasília.

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IT IS AS IF

THE FOUNDERS OF BRASÍLIA

PLANNED NOT TO

MAKE A CITY BUT TO

PREVENT ONE.

Le Corbusier's intellectual influence on twentieth-century architecture was vast. Planners and designers around the globe undertook projects along the lines he set out in his manifestos and at the international architectural congresses he organized. Perhaps the closest thing we have to a high-modernist city built fully according to Le Corbusier's principles is Brasília. The idea of constructing a capital in the South American continent's interior wilderness was the pet project of Juscelino Kubitschek, Brazil's populist president from 1956 to 1961, who promised his countrymen "50 years of progress in five."

Kubitschek directed architect Oscar Niemeyer, a longtime Brazil Communist Party member influenced by the Soviet version of architectural modernism, to organize a design contest for the new city. It was won by Lucio Costa. Both Costa and Niemeyer worked wholly within the doctrines laid out by Le Corbusier. In the empty site supplied by the president they had the "clean tablecloth" Le Corbusier had always coveted. No private-property owners intruded; no competing visions needed to be negotiated with. The utopian, progressive city would evolve from a unitary plan on land owned entirely by the state, with all contracts, commercial activity, and zoning placed in the hands of the government planning agency Novacap.

In Brasília's elaborate central plan, housing, work, recreation, and public administration were all segregated into different zones as Le Corbusier demanded. The plan made not the slightest concession to residents' habits, desires, or traditions. Brasília provides no clue to its own history; it could have been anywhere. It is to São Paulo or Rio as a tree plantation is to a natural, unregulated forest.

Brasília is a state-imposed city. Many aspects of life that would elsewhere have been left to the private sphere were minutely organized. All residents received similar housing. Following the plans of progressive European and Soviet architects, Brasília's planners grouped the apartment buildings into *superquadra* to foster a collective life. Each *superquadra* (roughly 360 apartments housing 1,500-2,500 people) had its own nursery and elementary school. Each grouping of four *superquadra* had a secondary school, a cinema, a social club, sports facilities, and a retail sector.

In Brasília, no streets function as public gathering places; there are only roads and highways to be used exclusively by motorized traffic. One could fairly say that the effect of the plan has been to design out all those unauthorized locations where casual encounters could occur and crowds could gather spontaneously. There *is* a square. But what a square! The vast, monumental Plaza of the Three Powers, flanked by the Esplanade of the Ministries, is of a scale that would dwarf even a military parade. In comparison, Tiananmen Square and Red Square are positively cozy.

The plaza, like many of Le Corbusier's plans, is best seen from the air. Arranging to meet a friend there would be rather like trying to rendezvous in the middle of the Gobi desert. And if individuals did meet, there would be nothing to do. This plaza is a symbolic center for the state; the only activity that goes on around it is the work of the ministries.

People who move to Brasília discover "a city without crowds." They complain that it lacks the busy corners, the bustle of street life, the small-scale façades that animate a sidewalk for pedestrians. It is almost as if the founders of Brasília planned not to make a city but to *prevent* one.

Life in Brasília often feels standardized, bland, and anonymous—an existence "without pleasures." The population lacks small accessible spaces they can stamp with the character of their individual activities.

The two most frequent complaints of *superquadra* residents are the sameness of the apartment blocks and the residences' isolation. ("In Brasília, there is only house and work.") The façade of each block is strictly geometric and egalitarian. Nothing distinguishes the exterior of one apartment from another; there are not even balconies that would allow residents to add distinctive touches and create semipublic spaces. Just as the general design of the city conspires against an autonomous public life, so the design of the residential city militates against individuality.

Owing to its architectural repetition and uniformity, Brasília has few landmarks. Each commercial quarter or *superquadra* cluster looks roughly like any other. The result is a macro-order but with a micro-confusion that makes locations hard to find. To the planners of a utopian city whose goal is more to change the world than to accommodate it, these failures—and the general disorientation occasioned by life in Brasília—may be considered a part of their didactic purpose.

From the beginning, however, residents of Brasília refused to behave precisely as the city's master planners intended. Some citizens showed a determination to make themselves heard. For instance, when the number of construction workers outran the temporary housing allotted to them in what was called the Free City, laborers began to squat on additional lands where they built makeshift homes. Where whole families migrated, the houses sometimes became quite substantial.

These pioneers organized to defend their land, and by 1980 fully 75 percent of the population of Brasília lived in settlements that had never been anticipated in the central plan. Meanwhile the *planned* city reached less than half of its projected population.

The unregulated Brasília—one might call it the real Brasília—is quite different from the original vision. Instead of a classless administrative city, it is a city marked by commerce, busyness, self-selection, and segregation. The unplanned neighborhoods of the rich and of the poor are not mere accidents; one could argue that they are unavoidable companions to the artificial order at the plan's center.

How much success has Brasília achieved? Little, if we judge by the city's capacity to inspire love of its way of life. The real Brasília, as opposed to the hypothetical Brasília in the master planners' documents, is mostly a product of resistance and subversion.

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The Rise and Fall of the Big, Bureaucratic Corporation

By Joel Kotkin

In an old industrial building in lower Manhattan, Jon Kamen and his workers are creating a future urban economy that relies on the entrepreneurial ethos of the past. The walls and doors in this spartan 1930s factory are black steel and tin, and large windows open on a sweeping view of mid-century Manhattan skyscrapers. But the workers of @Radical Media are not stitching garments, or typing on carbon paper. They are creating the products increasingly valued in our Information Age. The advertising firm is crammed with television monitors, computers, and the latest film-editing and graphics equipment.

More important than the space or equipment, says Kamen, is the spirit of individualism animating his company. Each member of the workforce of highly skilled artists—75 of them on staff with another 100 on contract or free-lancing—has considerable autonomy.

Kamen founded his firm in 1994 and won the coveted Palme d'Or for best advertising in 1998. Today he is able to attract talent that once would have gone to the elite big firms. The problem with large, centralized businesses, Kamen suggests, is that "the talent walks in and the firm is walled off like a bunch of fiefdoms. There's no community there." Much of the higher-order work in advertising, and in many other industries, is now conducted by small, flexible organizations like Kamen's.

The growth of firms like @Radical Media at the end of the millennium refutes notions that dominated economic thinking at mid-century. At that time all the virtues that make a company like Kamen's work—artisanship, individualism, collaboration with free-lancers—would have seemed positively archaic. The world was supposed to be dominated by large, centralized corporations. Virtually all the mainstream thinkers of that epoch—David Lilienthal, A.A. Berle, Daniel Bell, Joseph Schumpeter—as well as the entire Marxist academic contingent believed that as the economy grew more sophisticated, Ameri-

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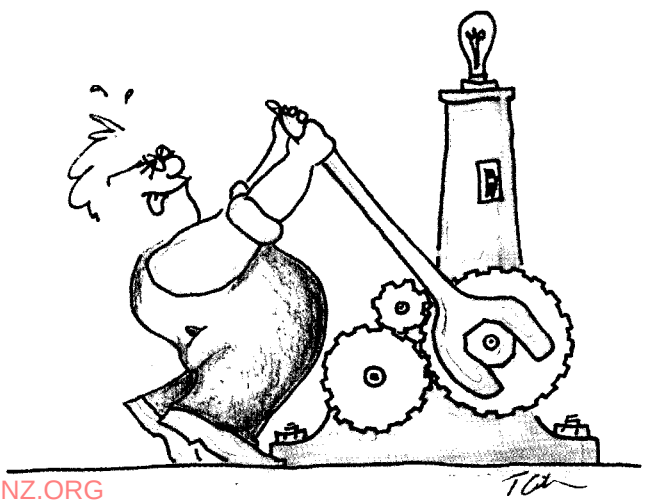

Illustrations by Tom Gibson

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can businesses would amass into increasingly huge, unified firms.

Perhaps the most influential writer on this subject was John Kenneth Galbraith. A Harvard professor, Kennedy confidant, and author of *The Affluent Society* and *The Anatomy of Power*, Galbraith is perhaps this century's most popular liberal economist. From the beginning he argued that the growing importance of science, engineering, and other highly specialized skills gave large firms an unbeatable advantage over smaller competitors. "Providence has made the industry of a few large firms an almost perfect instrument for inducing technical change," he preached. The independent entrepreneur was destined to become "a diminishing figure in the new industrial system."

Galbraith's worldview was accepted by generations of influential professors, journalists, and lawmakers—including current liberal mandarins like Robert Reich, James Fallows, and Ira Magaziner. Yet even as Galbraith was finishing his book *The New Industrial State* in the mid-1960s, new forces were coalescing to bring back the entrepreneur. While large corporations were combining and re-combining like cancer cells (mergers and acquisitions accounted for roughly one-third of all expenditures by industrial companies between 1960 and 1968), the number of new incorporations began to soar. By 1970 the rate of new business start-ups had more than tripled the rate of just two decades earlier. Decentralization was well underway.

Much of this shift took place in the sunbelt region, from the Carolinas to California, far from the Northeastern centers of media and corporate giantism. Out in these provinces new empires were quietly built on real estate, oil, entertainment, and even steel. The new faces included firms like Litton Industries and Teledyne in Southern California, the Nucor Corporation of Charlotte, North Carolina (makers of the first U.S. minimill for steel production), and Federal Express in Memphis, Tennessee. Many of the greatest American companies were soon shaken, relegated to second-rank status, or even absorbed or liquidated. The new stars were not the powerhouses of the '70s like ITT, Sears, and General Motors. They were firms that had been barely recognized or nonexistent three decades earlier: Microsoft, Wal-Mart, and WorldCom.

The new breed of companies was smaller. In the early 1990s the number of workers in firms with fewer than 20 employees grew 9 percent, while the figure for workers in firms with more than 2,000 employees *dropped* by 2 percent. This pattern held across virtually all sectors except finance. The *Fortune* 500, which accounted for one out of every five U.S. workers in 1970, now employs fewer than one in ten.

THE *FORTUNE* 500, WHICH ACCOUNTED FOR ONE OUT OF FIVE WORKERS IN 1970, NOW EMPLOYS FEWER THAN ONE IN TEN.

As a new century begins, America's economic cutting edge is again entrepreneurial, forged in new companies like Dell Computers, Dreamworks, or Amazon.com. But these are not the final heroes of the story. They are already being challenged by new waves of small firms. This extraordinarily fluid, competitive, and utterly decentralized pattern will shape our economic reality in the century to come.

What forces created the late-century entrepreneurial revolution? There are four major reasons for the shift away from big, centralized businesses: Shifting tastes among consumers, new attitudes toward work, globalization and immigration, and, perhaps most important, the technology revolution.

CHANGING CONSUMER TASTES—As mass wealth began to accumulate in the post-war years, an affluent, educated middle class grew much faster than the national population as a whole, creating a more knowledgeable and discerning public. This wealth made possible the experimental counter-culture of the 1960s and '70s, which was fundamentally individualistic and non-conformist. The change in culture helped push consumer demand away from basic manufactures and toward more distinct products and services.

In this new economy companies had to find ways to appeal to ever more sophisticated and fragmented consumer tastes. Product positioning, quality, and image became much more important. Americans now look for products that are somehow stimulating. Specialized products of artisans, from furniture to apparel to food, have gained sharply, even among everyday consumers, which explains why the number of small, specialized manufacturers grew by 28 percent from 1967-95.

Julian Tomchin, senior vice president for special merchandising at Macy's-West, says he now spends much of his time with small specialty companies in Los Angeles, New York,

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and San Francisco, rather than concentrating on large producers. "There's a new breed of company out there that is combining craft-based industry in a factory setting," he says. "It used to be part of hippiedom; now it's an industry."

The shift to artisanal "craftory" production has begun decentralizing the food industry, once a bastion of standardization and mass production. American consumers in the last few decades have increasingly demanded diversity and sophistication in their diets, creating opportunities for specialized processors. Even the bread industry has seen significant change. Since the 1970s, the market for mass-produced white pan bread has been dropping, while the market for specialty varieties has soared. "People here will now pay for a better bread, just like they'll pay for a finer bottle of wine," says Noel Comess, president of the 140-person Tom Cat Bakery, standing in front of an oven at his sprawling Long Island City facility.

"There's something nostalgic about homemade bread—a sense of warmth and wholesomeness," explains Manfred Frankl, founder of La Brea Bakery, the nation's largest craft bread bakery, at his 67,000-square-foot facility in L.A.'s San Fernando Valley, "that's valued amidst a current lifestyle full of faxes and answering machines."

NEW ATTITUDES TOWARD WORK—Just as a search for improved quality of life now drives consumer culture, many employees are demanding a higher quality of work. Dakota Jackson, a prominent New York furniture maker, started out in the 1970s restoring old pianos, then began restoring furniture. By the 1990s Jackson was running a small furniture factory in Long Island City. For him and his workforce, about half of whom are immigrants, non-economic factors are an important part of their job satisfaction. "I am not a businessman by motivation. For me, it's all about coming up with designs and making things that interest me."

This trend is particularly pronounced in fields that depend heavily on the creative skills of talented individuals. These workers carve out careers that allow them to be in places they like. The desire to control one's environment and fate—a deeply entrenched American tradition—is now a central part

WHY SMALL COMPANIES OFTEN WORK BEST

More successful Internet businesses have been spawned by Caltech graduate Bill Gross than by any other person on the planet. Through idealab!, his Southern California-based incubator, he has launched dozens of enterprises that are now worth many hundreds of millions of dollars, including e-commerce pioneers like CitySearch and eToys. In this essay, extracted from the November/December 1998 issue of the Harvard Business Review, *he explains why radically decentralized ownership and decision-making makes companies more potent.*

My greatest revelation as a businessman was crystallized in two words: Let go.

It was 1994, and a team of developers at Knowledge Adventure (KA), the educational-software company I founded, had developed a powerful technology for three-dimensional visualization and navigation—so powerful I started selling the technology to other software firms as a stand-alone product. But KA's infrastructure wasn't well-suited to the task; so KA's board suggested we "spin out" the product and its ten-person development team. The venture would break from the main company but, unlike a "spin-off," never entirely leave its orbit.

I was loath to release my clutch on such a hot property. I was even more put off by the board's insistence we keep only 19.9 percent of the new company's equity.

The board, however, would not relent. What ensued astonished everyone. Within a year, Worlds Inc., the new company, grew almost as large as KA itself. Its employees rose to new heights of creativity and passion in closing deals, improving the product, and recruiting star workers. My earlier reluctance suddenly seemed laughable: Instead of owning 80 percent of a $5 million business, KA now owned 19.9 percent of a $77 million business.

The act of spinning out Worlds sharpened its strategic focus, enabling it to communicate a consistent message to its customers. Spinning out Worlds also enabled it to attract outside investors, giving it greater access to cheap capital. But by far the greatest factor was the magnification of human potential. That's because we decentralized ownership, giving employees a near-total stake in Worlds, which unleashed a new level of performance and built economic value.

At any given time, four or five embryonic companies will be in development under idealab!'s roof. Those that seem flightworthy are then hatched into stand-alone enterprises. About 20 companies have left the nest so far. Among them: eToys, an on-line toy retailer; WeddingChannel, which lets people use the Internet to plan their weddings; and ideaMarket, an on-line market for intellectual property that survived only a few months before folding.

We give each spin-out no more than $250,000 in seed funding and take no more than a 49 percent equity. Everyone on the payroll gets some equity. I also insist on a salary cap for the CEO, usually in the neighborhood of $75,000.

As economies of scale grow less important in the new information-based economy, small tribes of employee-owners are more viable economic entities than they used to be. When a company has between 10 and 100 people, it feels like a tribe—that primordial unit of human organization. Belonging to a small team exerts an emotional pull on employees.

Thermo Electron, a Waltham, Massachusetts industrial giant, has achieved stellar success with this model, spinning out more than 20 companies around its core intellectual competency of electrical and chemical engineering.

Corporate CEOs are always pining for ways to "get that small-company soul and small-company speed inside our big-company body." You can't create a small-company feel unless you create a small company.

—Bill Gross

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of the national work culture. Companies such as Kinko's, Apple, Starbuck's, and the Gap are only the most visible examples of hundreds of thousands of smaller businesses that have grown and flourished mostly for lifestyle reasons. Many workers now migrate for non-economic reasons and are reshaping companies, cities, and regions. Surveys of newcomers to rural locales like the Gallatin Valley of Montana show that many willingly accept lower wages and career limits in return for a desired way of life.

Using the Internet, entrepreneurs can run sophisticated businesses from anywhere. That's why places like Boulder, Colorado, now have some of the densest concentrations of technology-related businesses in the country, most of them small independent firms. The desire for and availability of more lifestyle choices will continue to drive economic decentralization.

GLOBALIZATION & IMMIGRATION—Global trade has helped reverse the Galbraithian era's tendency toward centralization. The flood of new products into our marketplace—Japanese cars, German beer, Taiwanese electronics, Chilean fruit—has forced some of the linchpins of the old economy—automobile companies, steel firms, and giant banks, for instance—to change. Car companies like Ford downsized and reorganized as they matched wits with overseas competitors. Some large American companies—American Motors, Zenith, Arco, and Getty Oil—were wiped out of existence. Others were forced to move "upmarket" into higher ends of the knowledge chain. Mid-twentieth-century American corporate culture was permanently altered.

Trade in products, services, and capital has spiked upward. As recently as 1970, only 6 percent of U.S. gross domestic product came from trade; today the total is about 12 percent. U.S. exports, which rose 90 percent between 1987 and 1993, now account for roughly 20 percent of our economic growth, according to DRI McGraw-Hill.

At mid-century, the centralizing tendency in products and corporate practices was reinforced by an underlying ethnic conformity. During America's immigration slow-down from 1920-1960, the country became more ethnically homogeneous than in any period since the 1840s. But beginning in the 1960s, immigration rates began to zoom, and the percentage of foreign-born residents now stands near an all-time high.

Though it has caused social disruptions, immigration has had very positive effects on America's entrepreneurial landscape. Over the past 30 years, cities like New York, Los Angeles, Houston, Chicago, and Miami have received newcomers from new regions like East Asia, the Caribbean, and Latin America. In some immigrant hubs such as Houston, as much as 10 percent of the regional economy—from construction and cleaning services to ice cream vending and streetside apparel retailing—now takes place underground in the informal economy.

In the industrial area just east of downtown Los Angeles—for decades an economic desert—immigrants have built the nation's largest wholesale district for toys. Over 500 different toy importers, warehousers, and distributors employing about 6,000 people have generated $500 million in annual revenue, and sparked a renaissance in local toy-making and design. Roughly 60 percent of the $12 billion in toys sold to American retailers now come through the district.

Similar immigrant-entrepreneur districts have arisen in places like New York's Canal Street, the Asia Trade District straddling Dallas's Harry Hines Boulevard, and Harwin Corridor in Houston. Once a forlorn strip, the Harwin area has been transformed into a sprawling East Texas bazaar for cut-rate

continued on page 41

BIG OR SMALL, BUSINESSES NOW HAVE TO LISTEN TO THE LITTLE GUY

Early this century, Henry Ford's Model T rolled off the assembly lines at his Highland Park, Michigan plant at the rate of one every 24 seconds. At the time, it was an amazing display of industrial efficiency. Ford brought the automobile to an emerging middle class by instituting centralized production on a large scale. But all Model T's looked alike. Ford's take-it-or-leave-it attitude wouldn't cut it today.

As Ford prepares for the new millennium, it is decentralizing production through custom ordering, which allows buyers to specify precisely what they want on their cars. Ford's Internet site offers six models of the Explorer, for instance, and each has its own choices for power train, exterior, interior, audio, wheels, tires, and other options. There are more than 2.5 million possible combinations for the vehicle.

The trend toward customization isn't confined to automobiles. From clothing to computers, businesses are working to become more consumer-friendly. Mass production was about producing more stuff, and tweaking designs in hopes of giving consumers what they want. Mass customization is about producing the *right* stuff. True customization eliminates the need for guesswork. Companies that customize don't make anything until they know precisely what the customer wants.

Customization is one more step in a process of economic decentralization that began with an explosion of choice in the marketplace in the 1970s. Americans are blessed—some might say overwhelmed—by an ever-expanding variety of goods and services. The U.S. market now offers 7,563 prescription drugs, 340 kinds of breakfast cereal, 50 brands of bottled water, and 185 television channels. Athletes can choose from more than 285 models of running shoes. Whole milk sits on the supermarket shelf beside skim milk, half-percent, 1 percent, 2 percent, lactose-reduced, hormone-free, chocolate, buttermilk, and milk with a shelf life of six months. Today's consumers have access to more book titles, more movies, and more magazines. Ford still makes black cars for buyers who want them, but it also offers 46 other colors.

The rich have always enjoyed the luxury of custom-made products. Now personalized goods and services are increasingly within the budgets of middle-class consumers. What's increasingly driving decentralization is the subtle power of knowledge. Information Age technology has erased yesterday's edict that customization must carry a high price. Mass customization offers consumers the best of both worlds. It embodies the good qualities from the era of hand production—custom design and individualized service—while retaining the most significant advantage of mass production, low cost.

One size fits all? Not any more.

—This is excerpted from the 1998 annual report of the Federal Reserve Bank of Dallas, written by W. Michael Cox and Richard Alm.

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Government in the MACHINE AGE

By Tom Bethell

Something about the machinery and factories of the Industrial Age encouraged the belief that society's problems could be addressed more efficiently if political power were centralized. In taking people out of their homes and putting them into factories, the Industrial Revolution gathered a scattered population into urban centers and centralized production. It seemed only logical that government should follow suit. We see this idea gathering steam in the late nineteenth century. By the Progressive Era at the turn of the century, it is unmistakable. Science had begotten those big new machines, and the success of science and the efficacy of the machines worked together to "set the stage," as the progressive historian Charles Beard proclaimed, for explosive expansions of government in the twentieth century. Many regimes became boundlessly domineering.

This trend toward centralization of state power reversed earlier political thought. In 1800 it was understood that power is a hazardous thing that should be fenced in and subdivided. Protections for private property dispersed power, constitutions restrained it, and the ballot box democratized it. But in the twentieth century all these instruments of decentralization were subverted. Their prestige lingered on, however, and this meant that the centralizers often had to work by subterfuge. Tyrannies called themselves People's Democratic Republics, and constitutions were artfully rewritten by dictators to retain the rhetoric of self-rule while jettisoning the substance.

The new political philosophers appealed to Science (often deferentially capitalized), and made their centralizing mission look pragmatic and "value free." Leading liberal Herbert Croly, for instance, suggested in the early decades of the twentieth century that individual rights might have to be swept aside if they didn't meet the test of "functional adequacy." Perhaps "collective rights" should supplant individual rights. Socialists were quick to plant the idea that socialism was nothing but Science applied to society, and few saw that this would legitimize tyranny. Lenin rode this wave of Scientific Socialism, defining communism as "Soviet power plus the electrification of the entire country." Combining detailed Five Year Plans and government force, he and his comrades tried to direct their peoples in dramatically new directions.

National planning, the inevitable corollary of centralized power, was a new idea in the twentieth century. It depended on two things: the central accumulation of vast quantities of information, and the willing reversion of millions of people to order-taking serfdom. Both these objectives proved to be unattainable.

National planning began in the 1914-18 war economy of Germany. It was soon seized upon by intellectuals as a rationale for subordinating individuals and their property to the state, both in war and in peace. By 1918, the American philosopher John Dewey had divined "the social possibilities of war." If property could be taken in time of battle, why not amidst peace? Dewey anticipated that even after the stress of world war passed, many of the special agencies of control that grew up during the emergency would live on. The accumulated governmental authority "will never go backward," he predicted, and the graph of federal spending found on page 47 indicates he was basically right.

Lenin's first national plan was published in 1920. It had been drawn up "by the best scientists in our Republic," he told *Pravda* readers. Over 180 accredited experts had contributed their wisdom, 200 books had been consulted, and the fuel budget for the entire Soviet Union for the next decade had been worked out. The number of workers needed nationwide had been calculated, and answers to "all the principal questions" had been delivered.

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By the following year, however, little was happening. What was holding things up? A frustrated Lenin concluded that "the conceit of the bigwigs" and "journalists" were to blame. But the real answer was simpler. For example, according to the plan, everyone would need two pairs of shoes. By simple math, that meant 300 million pairs should be forthcoming. But Lenin didn't say anything about sizes. Or types. Or where they would be made, or where delivered. And of course collecting that information from Omsk, Tomsk, and Siberia could have taken until the end of time. "In the end," conclude the Russian authors of *Utopia in Power*, Lenin's plan "remained on paper."

In *The Russian Revolution*, Richard Pipes described the Soviet experience as "the most audacious and most determined effort in the entire history of mankind to reshape human nature and redesign human society.... It was something new in history both in conception and implementation: An attempt to launch humanity, by compulsion, on paths it had given no prior indication of wishing to tread." In September 1991, Boris Yeltsin came to the same conclusion, referring to the Soviet Union as an "experiment which was conducted on our soil" and "a tragedy for our people."

While the Soviets were launching their experiment, parallel developments were occurring in Latin America. Porfirio Diaz, the dictator who ruled Mexico from 1876 to 1910 (while the Czars were reigning in Russia) had encouraged trade and foreign investment, honored debts, paid off bonds, and preserved the peso. By the end of his administration, Mexico's level of economic development was closer to that of the United States than it has ever been since.

So rapidly was capitalism advancing that Diaz's successor, Francisco Madero, worried that rebellion had lost its "prestige." The people were acquiring "material interests" so extensive that they were becoming a "factor against revolt." The same thing was happening in Russia, where Bolshevik revolutionaries saw that Prime Minister Peter Stolypin's reforms granting private land allotments to peasants were likewise working "against revolt." Peons too comfortable to rebel! The great nightmare of the twentieth-century intelligentsia!

Mexican revolutionaries began beating the drums of nationalism, deploring the "devastating incursions" of "foreign influence." Property rights had been handled badly by Diaz, who missed the opportunity to institute a modern legal system. After he was gone, control of property was centralized by the 1917 constitution. Individuals and corporations could retain possession—unless the state said otherwise. Private ownership became "protean, flexible, and malleable to the will of the state," observed Frank Tannenbaum. Costly state regulations created a privileged ruling class capable of navigating the system, and blocked upward mobility.

Then came the large-scale Mexican expropriations of the socialist regime of Lazaro Cardenas—the "robbery under law" described by Evelyn Waugh in his rare book of that title. Property was seized by the state in exchange for worthless bonds, churches were closed, education subordinated to socialist propaganda, mineral resources nationalized. Oil production, 165 million barrels in 1925, fell to one-fifth of that level by 1944. Inflation got under way in the 1930s and was allowed to rage, eating up private savings and dissolving government debt, as it does right up to this very day.

Tom Bethell is Washington correspondent of The American Spectator *and author of* The Noblest Triumph.

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DESPITE PROGRESS IN THE 1980S AND '90S, MEXICO HAS NOT RECOVERED FROM ITS PROLONGED CENTRALIZATION OF POWER EARLIER IN THIS CENTURY.

Despite progress in the 1980s and '90s, Mexico, like Russia, has not recovered from this prolonged centralization of power. The nation has no proper rule of law and inadequate property rights. The most conspicuous result of its 80-year experiment in centralism is that, instead of capital flowing south to create jobs, Mexicans must trek north in search of jobs. Americans who deplore the influx of millions of Mexicans might turn their attention to the defective institutions that have encouraged this human migration. Mexico's poor, like people everywhere, would prefer to live with their own families in their own country, if only they could find work there.

Centralism also came to China this century, although the preferred euphemism is to say that the country was "unified." The pre-Communist regime of Chiang Kai-shek has been so tirelessly disparaged that the unwary reader will agree, under pain of seeming insensitive, that, yes, Mao uplifted the masses. What is now abundantly clear, however, is that a country that had been rapidly developing was set back perhaps 50 years by Communist rule.

The recent book by Mao Tse-tung's personal physician Dr. Li, *The Private Life of Chairman Mao*, will make it harder for future revisionists to sugarcoat Mao's rule. The Chairman is shown lounging in bed with his concubines while millions starved. Mao's two favorite English books, we learn, were Engels' *Socialism: Scientific and Utopian* and Marx's *Communist Manifesto*. "We read them over and over," said Dr. Li. But the chairman never really learned English, and he certainly never learned from his own experience why the centralization of power was leading to disaster.

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Mao's attempts to overtake British steel production by encouraging peasants to throw their pots and pans into backyard furnaces led to a destruction of individual property already in short supply, then a severe shortage of farm labor, and finally famine. It is one of the most striking examples of tyrannical madness in a century replete with it. As Dr. Li shows, Mao's aides were afraid to tell him the truth. Like the Ottoman sultans of an earlier era, his own tyranny ensured that he never really knew what was going on in the country he supposedly ruled.

Mao's appeals to subordinates to speak their minds were calculated to unearth their disagreements with him. Subordinates not eager for rectification, exile, or worse soon learned to keep their mouths shut. The Cultural Revolution followed.

Like Stalin, Mao was insular and xenophobic. Outside China, he traveled only to Moscow. It is dismaying to think of this semi-educated assistant librarian exercising despotic power over a fifth of mankind for a quarter of a century.

Mao knew little of the West beyond the mumbo-jumbo of Marx. Notice that modern despots took their prescriptions from Western centers of learning, even when they did not study there (as Lenin, Ho Chi Minh and Chou En-lai did). Across the globe for most of this century, debased Western intellectual theory was far more influential than the patiently accumulated trial-and-error wisdom that underlies our own development and prosperity.

Most Western writers and intellectuals failed to understand what lay ahead. In the chronicles of mid-century—whether Freda Utley's *China Story* or John T. Flynn's *While You Slept*, or the more admiring contributions of Edgar Snow and John Fairbanks—there is one thing that we do not find: any hint that China is approaching a disaster, one that will disable it for the remainder of the century. Some observers thought that Chinese Communism was morally repugnant, others that it was agrarian reform worthy of being called "democratic," but hardly anyone saw that it would bring the nation's economy (and later those of North Korea and Vietnam) to a standstill.

James Reston of the *New York Times*, in Beijing in 1971, compared Mao's insane mass mobilization schemes to an old-fashioned "cooperative barn-raising," one that ought to make Americans "nostalgic and even sentimental." Another *Times* correspondent, Harrison Salisbury, detected that the New Man had appeared at last, and who would have thought that "Maoist Man" would precede his New Soviet counterpart? In any event, America was clearly lagging. "When would the New American Man and the New American Woman walk the earth, proud and confident?" Salisbury wondered.

An honorable exception was Henry Luce, the founder of *Time*, who had been born in China of missionary parents. He was among the few journalists of his day to grasp that Communism flunked the key test: Does it deliver? He also foresaw that by skirting this most extreme form of centralism, to which many other countries were succumbing, America would become preeminent later in the century. Stanley Karnow commented on the "schizophrenia" of Luce, who "was torn between his love for the Chinese and his implacable hatred of Communism." But the two sentiments were perfectly congruent, as long as one understood, as Luce did, that Communism was imposed on the Chinese by force and "can't be successful."

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JAMES RESTON OF THE *NEW YORK TIMES* COMPARED MAO'S INSANE MASS MOBILIZATION SCHEMES TO AN OLD-FASHIONED "COOPERATIVE BARN-RAISING."

For most of this century, the centralization of power was so admired by Western intellectuals and journalists that they were willing, even eager, to suspend their natural skepticism when faced with any hint of plans gone awry. They admired Lenin and Mao, and to this day admire Castro, because centralism made possible what intellectuals so often dream of but rarely achieve: the seizure and uninhibited exercise of power. From the point of view of Western intellectuals, the great merit of communism was that power-seeking was sweetened with universalist rhetoric: "experts" ran things, but "for the good of the masses."

Less extreme centralizations undertaken by fascists or National Socialists, and defended with racialist or nationalist rhetoric, were less popular with most intellectuals. But as the years pass, the similarities between communism and fascism will become more striking than their differences. When another century has elapsed we may look at these two modes of centralism the way we do the opposing sides in the Wars of the Roses: What was it they differed over, exactly, since they both believed in monarchy?

With the breakup of empires after World War II, something new called the "Third World" began to emerge. Decolonization came at just the time when centralism in general and socialism in particular were fashionable in Western capitals. The glowing reports of economic growth then emerging from the Soviet Union kindled an enthusiasm for consolidated power in the hearts of many rulers of far-flung territories. It also suited their political ambitions.

Julius Nyerere's socialist *ujamaa* policy, which was urged upon Tanzania by the World Bank, held that "all the basic goods are held in common." Like other African rulers, Nyerere was only too happy to adopt a philosophy that brought economic aid in its wake while simultaneously curbing political opposition. Gunnar Myrdal, who won the Nobel Prize in economics in 1974, said in 1956 with little exaggeration that "grand scale na-

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tional planning" was "unanimously endorsed by governments and experts in the advanced countries." India's prime minister, Jawaharlal Nehru, said at about the same time that economic development had quite simply been reduced to mathematics, and "it is extraordinary how both Soviet and American experts agree on this."

These same academic experts also agreed that the Soviet economy was growing at double the rate of the U.S. economy, and would overtake it within a decade or two. New editions of Paul Samuelson's famous textbook *Economics* repeated this claim until the mid-1980s. In the year the Berlin Wall fell, the new edition of the Commerce Department's *Statistical Abstract of the United States* was in print with the claim that East Germany's per capita income was higher than West Germany's.

It is remarkable that so many politicians, professors, and poets admired centralization, for there was no real evidence that planning had worked anywhere in the world. It had played "no part in the development of any one of the now highly developed countries," noted economist P. T. Bauer in the 1980s. But for many decades Bauer and a small number of other conservative economists stood almost alone against the post-war academic consensus in favor of centralization.

The great problem with socialism, Marxism, fascism, and all the other centralizing *-isms* is that they appealed to the most dangerous element of human nature, the desire for more power and control. They encouraged those in power to do even more of what they were already strongly inclined to do. It was an error comparable to doctors' telling patients that it is healthy to eat as much as possible, with the whole medical profession believing this. In earlier centuries, the hazards of power were understood by political theorists, and in the greatest practical application of this wisdom—the U.S. Constitution—institutions were created with the deliberate intent of dividing rather than focusing power.

How could this wisdom have been lost in the twentieth century? John Maynard Keynes gave us an answer that is worth pondering. After his fellow economist Friedrich Hayek warned Keynes that the desire to override small-scale, private decision making was the "road to serfdom," Keynes acknowledged that acts which "can be done safely in a community which thinks and feels rightly...would be the way to hell if they were executed by those who think and feel wrongly."

Having lived through the First World War, Keynes couldn't quite swallow the notion, common among his liberal teachers, that problems of centralization would not arise because human nature itself was changing for the better. For a hundred years, Western intellectuals had dreamed of this change, partly because they understood that an intractable human nature was the great obstacle to the abolition of private property—a long-standing utopian goal. With the wish no doubt inspiring their conviction, they concluded that human nature was malleable—like putty, as George Bernard Shaw put it. And the need for private property, wrote Keynes' Cambridge economics teacher Alfred Marshall, "reaches no deeper than the qualities of human nature." By the beginning of World War I, *New Republic* editor Herbert Croly felt confident enough to assert that centralizing ownership would itself "tend to socialize human nature."

Corbis/Hulton-Deutsch

THE SOVIET EXPERIENCE IS THE MOST AUDACIOUS AND MOST DETERMINED EFFORT IN THE ENTIRE HISTORY OF MANKIND TO RESHAPE HUMANITY.

That theory was put to the test from Moscow to the Mekong Delta, but a New Soviet Man did not emerge from the labor camps. Indeed, a decade after the fall of the Berlin Wall, it is still not certain that Russia will recover from its 70-year experiment in reordering human society. If the hunger for self-direction and private property goes "no deeper" than human nature, we can agree with Milton Friedman's remark that "I would say that goes pretty deep."

The centralizing urge remains strong nonetheless. In Europe, elites dream of unification and are determined to implement it. The European Union began as a free-trade zone but has turned into something more ambitious. The new euro currency, if it is to be viable, will subvert the independence of nations, and is intended to do so. In the U.S., the Supreme Court has acted as an unacknowledged instrument of centralism. It overturns state laws at will, but treats Congress far more circumspectly.

We may end on a more optimistic note. As I've noted, thinkers early in this century believed that the new technology and machinery of the Industrial Age would transform political thought and action. In the same way, the new technology of the digital world gives us reason to hope that the older, now almost lost political wisdom of decentralism might be recaptured in the next century. For if the wrought iron, heaving pistons, and blast furnaces of the Industrial Revolution took people out of their homes and gathered them into factories, the Computer Revolution is taking them out of factories and recreating cottage industries. The new revolution will even put the workers right back into their homes—if we can only get permission from the Department of Labor.

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the DEATH of Soviet Control

By Leon Aron

When Mikhail Gorbachev assumed power in 1985 he announced the Soviet Union had "achieved big successes in all areas of the societal life," and had "a powerful, comprehensively developed economy." All that was needed was to modernize the country's aging industrial sector and "the world's highest level of labor productivity" would be within reach. Some of this was bluster, but some he actually believed—out of sheer ignorance. Even within its highest councils, the Soviet government was pathologically secretive. A few years later Gorbachev would admit that even when he was helping the ailing Yuri Andropov run the country, the latter would not let him see the "real" budget figures.

As he got deeper into the Soviet Union's central command, however, Gorbachev began to understand the truth: His nation's planned economy was rotting away. One response was the economic "acceleration" policy inherited from Andropov. Implemented at first with much enthusiasm, "acceleration" stemmed from the belief that the Soviet economic system was fundamentally sound and required only a vigorous fine-tuning to recover its somewhat tarnished potential.

The new regime treated the now-obvious economic crisis as a problem of management: an unsatisfactory state of labor discipline and "weakness in the style and method of the Party." Both of these defects were supposedly correctable by determined efforts by the central authorities. Thus was a crusade launched for "strengthening of contract discipline" and a "fight against waste and losses," both to be enforced by a new agency known as *gospriemka.*

New inspectors were deployed at enterprises, but not employed by them, and charged with examining all output so as to reject items that did not meet prescribed state standards. Bonuses and even the regular pay of workers and managers were to be cut if low quality was found. The brutal simplicity of *gospriemka* epitomized the legacy of Andropov's police renaissance: Spur economic reform through a stern overseer cracking the whip, junking millions of rubles' worth of output in the process.

Gospriemka's other pillar was a law-and-order campaign, which Gorbachev described as his "resolute struggle against phenomena alien to our socialist way of life," for the purpose of "strengthening order and discipline." The centerpiece was the "anti-alcohol campaign" adopted shortly after Gorbachev's arrival.

The nation's alcohol problem was certainly urgent. The Soviet Union consumed more strong alcoholic beverages per capita than any other country. Alcohol-related premature deaths accounted for about one-fifth of all deaths. Fifty-one thousand people died of "acute alcohol poisoning" in the late 1970s, and alcohol abuse was the major factor causing male life expectancy to tumble from 67 to 62 years between 1964 and the end of the 1970s.

SuperStock/Kasimir Malevich

Yet when it came to remedies, the tin ear and elephant touch of Russia's Communist government meant "the people" received little or no relief. First, a reduction in consumption was sought in higher prices. Yet even overnight 100 percent increases, repeated over and over again, did little to reduce the national addiction.

Soon, economic levers were supplemented by the more familiar measures of Soviet social control: cuts in production and restrictions on consumption.

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AS HE GOT DEEPER INTO THE SOVIET UNION'S CENTRAL COMMAND, GORBACHEV BEGAN TO UNDERSTAND: HIS NATION'S PLANNED ECONOMY WAS ROTTING AWAY.

Stores were ordered to close liquor departments, drastically cut their hours, and limit purchases to one bottle per person. Restaurants were forbidden to serve alcohol in any form. Striving to distinguish themselves, state bureaucrats cut down some of the best vineyards of Moldova, Georgia, and the Crimea.

The largest immediate effect was a drastic reduction in revenues from by far the most profitable category of goods on the domestic market. Happening when the Kremlin was raising salaries and expanding budget outlays for the long-neglected "social sphere" (schools, hospitals, pensions), the shortfall led to a skyrocketing budget deficit and serious inflation.

Ordinary people, meanwhile, endured "giant queues, where one had to stand for hours just to buy a bottle of wine." Police had to quell riots among those waiting in line. And there was the humiliation of having to show a death certificate in order to purchase a bottle of vodka for the traditional Russian post-burial gathering. A former Soviet journalist remembers that in 1985 and '86 the editorial offices of newspapers were "swamped by tens of thousands of letters" from "indignant" citizens.

Meanwhile, a flood of moonshine spread over the country, consuming one million tons of sugar annually. For the first time since World War II, sugar rationing was introduced, continuing for six years. Fully 158,000 moonshiners were arrested in 1986 alone. People began drinking aftershave lotions and colognes; so stores soon began limiting sales to two per customer. The most desperate turned to industrial fluids. Antifreeze, methanol, and brake fluid were drained off cars, trucks, and planes. Newspapers reported five people dead from methanol poisoning at one factory, and 15 dead in another incident of antifreeze drinking.

Russians felt subjected to yet another national humiliation. The Gorbachev leadership managed to incite anger and contempt precisely when it most needed respect and trust. "The powers that be showed their stupidity," one Russian journalist wrote later, and "the people's belief that their leaders knew what they were doing, and could do it, was undermined."

Alongside "acceleration," another attempt at economic reform gradually emerged–*perestroika*, which gained much of its impetus from wider access to more honest data. "The problems accumulated in the society are deeper than we had thought before," Gorbachev told the January Plenum in 1987.

First to fall was the myth of the Communist welfare state. The official line was that the Party planners had secured a dignified existence for the common people, shielding them from "evils of capitalism" like poverty, hunger, inadequate medical care, and lack of housing. Between 1986 and 1990, most of these certitudes vanished. It became obvious most residents of the socialist paradise were desperately poor. For example, it was revealed that the consumption of meat and dairy products by low-income Soviets had declined by 30 percent since 1970.

Perhaps the gravest crisis was the country's health care disaster. In a land where "free medical care" had from the very beginning served as a key legitimizing symbol of the regime, the Minister of Health Care now admitted that up to half of all hospital beds were in institutions with no hot water; one out of six hospital beds was located in a facility where there was no running water at all. A Supreme Soviet commission found that 450 basic medications were in short supply, and a leading pharmacologist disclosed that the pharmaceutical industry was "practically absent" in the Soviet Union.

Of the 60 pieces of equipment that Soviet obstetricians and pediatricians considered absolutely necessary to perform their duty, Soviet industry produced six. Soviet obstetricians lacked diagnostic equipment. ("Not a single Soviet-made ultrasound machine. Not a single one in 30 years…the length of the entire Space Age!" cried a leading specialist.) Even worse, they lacked basic supplies like wrapping cloths and bottle nipples for newborn babies, gowns and surgical gloves for doctors. The result: In early 1988, the Soviet Union had a higher rate of infant mortality than 49 nations.

The health care calamity ricocheted into another myth—of the "golden Soviet childhood." Half of Soviet schools had no central heating, running water, or indoor toilets. Thousands of children, some as young as ten, worked 12-hour days on collective farms harvesting potatoes and cotton. Hundreds of schoolchildren died in labor accidents each year and thousands were crippled.

While everyone living in the Soviet Union was aware of the desperate shortage of housing, *glasnost* bared the staggering scale and hopelessness of the problem. A full 100 million Soviet citizens (a third of the population) occupied a living space of less than 9 square meters per person.

In dozens of cities there was no running water whatever, and in more than 300 cities there were no sewer lines. Six million people were estimated to live in "disastrous" dwellings. A 1989 letter from an elderly man whose house burned down three years before and who now inhabited an abandoned bathhouse reported that the damp and rotting premises, with no heat or light, were "killing" him. "All I want is eight [square] meters in a warm little room," he wrote. "There is no way, they tell me." In Leningrad, 282,900 families (20 percent) were on a waiting list for housing; in Kiev it was 208,000 (26 percent).

As the scope of these "problems" became clearer, so did the realization that most of them were not amenable to a bureaucratic cavalry attack. The necessity of securing from workers more than just a passive acquiescence to orders began to sink in. To make sure "everyone labors conscientiously and with maximum effect at his workplace," the Kremlin began to stress "the human factor."

By September 1986, Prime Minister Nikolai Ryzhkov already talked about "overcoming the egalitarian tendency in the compensation for labor," and measures that might encourage

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workers to have a "personal interest" in raising the quality of their output, including bonuses and greater salary differentials.

Even bolder departures were contemplated in the state's management of the economy. There began to be talk of greater autonomy of enterprises from the "petty tutelage" of various ministries. Later, there was discussion of "self-financing" and even "independence" of firms. Restrictions on "individual economic activity" were reviewed, and Kremlin economists began contemplating the rudiments of market discipline and a reduction of state industrial subsidies. By the summer of 1987, family-based agriculture was broached as an important component of economic reform.

These initial versions of *perestroika* had markedly different levels of sophistication, but all aimed at economic transformation without political change. Such efforts failed miserably. Moscow discovered that the Soviet ruling class had grown too fat and insolent to depart from their customary ways. While ordinary citizens were living lives of misery, the Party elite had almost unlimited power and, increasingly, riches as well. To break this pattern, the Gorbachevites first tried the police tactics of *gospriemka*. When the "quality control" measures described earlier were introduced at 59 Moscow enterprises in January 1987, every third plant failed to fulfill its planned quota. A month later, only one-fifth of their output was qualified as "acceptable." At one of the best Moscow enterprises, the giant machine-tool plant "Red Proletarian," not a single "automatically controlled" lathe could be certified as "acceptable." The authorities were clearly spitting into the wind in their attempt to "order" harder work. After less than two years, *gospriemka* was quietly phased out.

Perestroika in the Soviet economy met a similar fate. The Soviet bureaucrats produced a paper mountain of orders, refined instructions, and elucidations—all aimed at preserving everything as before in the country. "The administrative-command system," one Russian historian notes, "turned out to be far more perfidious than anyone could expect." Even a remote possibility of the closing of unprofitable enterprises made Party and government officials "at all levels" rise to their defense. Gorbachev was forced to retreat.

Gorbachev and Co. were the pampered fourth generation of Soviet rulers. Unlike the battalions of Lenin and Stalin, they had inherited power, not taken it by force. Unlike the Khrushchev and Brezhnev cohort, they had not been brutalized by Stalinist terror or World War II in which the regime's existence hung by a thread.

Yet for Gorbachev's top-down reforms to have any effect, they would have had to be accompanied by a credible deployment of terror. A softer, less frightening Kremlin could not force submission to its whims.

Faced with implacable resistance from the Soviet bureaucracy, and incapable of Stalinist enforcement, by 1987 Gorbachev and his small group of supporters in the leadership faced two choices. Gorbachev could become another Brezhnev—who, having tried a limited economic decentralization in the mid-'60s (the so-called "Kosygin reform"), abandoned it when the planning class dragged their feet, and ruled comfortably for 18 years. In 1987 the Soviet economy was still growing slightly, and with the same level of repression the existing leadership could undoubtedly have ruled for another decade at least before the creeping economic crisis would have entered an acute state.

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AND FROM THEIR CHINESE COUSINS...

Even more deadly than the central planning practiced in the Soviet Union was the variant pursued by Mao Tse-tung in China.

In *Hungry Ghosts*, author Jasper Becker describes how Mao's so-called "Great Leap Forward" killed 30 million peasants. "On the muddy path leading from the village, dozens of corpses lay unburied. Amongst the dead, the survivors crawled slowly on their hands and knees searching for wild grass seeds to eat. In the ponds and ditches people squatted in the mud hunting for frogs and trying to gather weeds. The dead were left where they died because no one had the strength to bury them. The dogs had been eaten and the chickens and ducks had long ago been confiscated by the Communist Party in lieu of grain taxes. There were no birds left in the trees, and the trees themselves had been stripped of their leaves and bark. There was no longer even the scratching of rats and mice, for they too had been eaten or had starved to death. At night, peasants went into the fields to cut the flesh from the corpses and eat it."

Under collectivist orders, peasants had been stripped of all private possessions. The Communist Party had forbidden them even to cook food at home, and private fires had been outlawed. "Their iron griddles and nearly all the woks and pans had been taken away to be melted down into steel," explains Becker. "There was only one place in the village from which smoke was allowed to rise. This was the collective kitchen. Villagers would queue up with their bowls to receive their ration of soup."

The harvests had been taken by the state; so the collective soup was nothing more than a "thin gruel into which the cooks had thrown the leaves of sweet potatoes and turnips, ground corn stalks, wild grasses, and anything else the peasants could gather."

"The first to die were those who had been labelled rich peasants, for they were given the lowest rations." During the harvest, state inspectors had "searched the peasants as they left the fields and had beaten anyone they caught trying to eat the wheat kernels." A woman interviewed by Becker tells of how she had been forced to spit out some kernels when she was spotted chewing while laboring in a field.

Those who dared to question Mao's bizarre agricultural policy—which sought to maximize food output by dispossessing the nation's most productive farmers—were tortured, sent to labor camps, or executed. To fortify their monopoly grip over every facet of life, collectivists made it a grave offense to pursue any private vision. A decentralized economy run by someone other than political bosses was an idea even more intolerable than failure, death, and tyranny.

—Ralph R. Reiland

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furniture, luggage, car parts, and electronic goods. The 800 firms there have sparked a local boom.

THE TECHNOLOGY REVOLUTION—New technology has undermined the corporate hierarchies that Galbraith expected to be dominant today. One of the fundamental characteristics of what historian Manuel Castells calls "informationalism" has been a "shift from centralized large corporations to decentralized units made up of a plurality of sizes and forms of organizational units." Communications networks allow tasks to be done in different places. For financial and managerial reasons, large firms have outsourced work they used to do in-house, and they've protected themselves from supply breakdowns by purchasing from a broader network of vendors.

MIT's Robert Laubaucher observes that:

> the new coordination technologies enable us to return to the preindustrial organizational model of tiny autonomous businesses—businesses of one or a few—conducting transactions with each other in the market. But there's one crucial difference: electronic networks enable these microbusinesses to tap into global reservoirs of information, expertise, and financing that used to be available only to large companies.

This new technology often splinters big firms into many smaller pieces.

This pattern can be seen in the entertainment industry. Superficially, the industry appears to be centralized in a small group of giant corporations like CBS/Viacom, Time Warner, News Corporation, and Disney, which dominate the distribution and transmission channels. But a new and far more dispersed entrepreneurial reality has developed beneath the industry's surface.

In 1960, just 28 percent of U.S. films were produced by independent production companies. The rest came out of the big studios. By 1991 almost two-thirds were independently produced. Today Hollywood studios increasingly focus on distribution, marketing, and financing, while small technical houses, independent producers, directors, and skilled craftspeople take over the creative production. "The people who own the studios don't know how to run a creative business. They know how to run distribution and that's it," observes Dennis Stanfill, former chairman of Twentieth Century Fox.

The Viacom corporation may own Nickelodeon, producer of the hugely profitable cartoon "Rugrats," but the actual conceptualization and making of the show takes place at a 100-person firm named Klasky Csupo, founded and owned by two animators. Company president Terry Thoren sees his job as handling sales, marketing, and administration for the creative teams that develop the company's product, in order "to provide a cocoon for the creative process."

The number of these smaller entertainment-related specialty firms has more than tripled since the late 1970s. They have tightly focused competencies in such things as lighting, set production, special effects, post-production, model-making, even accounting and catering. Fully 91 percent of the roughly 7,000 entertainment firms in the Los Angeles region have fewer than ten employees. The desire for independence has further decentralized the industry: Among all the entertainment-industry employees in the area, 146,000 labor as free-lancers, self-employed writers, directors, or craft specialists, while only 80,000 work directly for studios and independent producers.

A new class of digital-technology companies is shifting more of the filmmaking process into smaller studios. The San Francisco Bay area has become a major center for digital imaging, spawning a new computer animation business in the process. Firms such as Industrial Light and Magic, Pixar, and Pacific Data Images are rapidly spanning the gap between technology and the arts. As Pacific Data President Carl Rosendahl notes, "Technology changes the nature of the game. If you have the digital skills and storytelling ability, you are in a good position."

Eventually, Rosendahl believes, smaller, digital craft studios like Hammerhead Productions, an eight-person firm founded by several animators, could change the Hollywood studio system. Hammerhead has produced one low-budget film, has another, more elaborate film in production, and has ten projects in development, loads of special-effects work, and a deal to make music videos. The firm is also building a Web site to distribute its products, including its own special-effects software.

Mastery of new technology creates vast opportunities for a host of smaller firms like his, says Hammerhead founder Dan Chuba. Their special-effects wizardry can reduce the cost of a film by as much as 50 percent. "The studios don't have control of the pipeline," he says. "Costs are forcing them to reduce their quantities of movies, but people still need the product. Someone has to do it, and it's creating all sorts of opportunities for independent players like us."

Splintering consumer tastes are also moving the industry away from its centralized past. Cable, satellite broadcasting, and the Internet all feed Americans' appetites for customization. This trend has helped create three new broadcast networks and more specialized media, while the market share of mass network programming has declined sharply. Larger media companies now depend on small-scale producers to meet the new consumer demands.

What do these new forces tell us about the future? If you lay them atop America's entrepreneurial and individualist traditions, you can envision how the U.S. economy may evolve.

It's clear large corporations are not about to go away. Many will, however, change their role in the production process as they have in Hollywood. In sectors where capital is king—building transmission and distribution lines, for instance—companies will get bigger. But where flexibility, initiative, and creativity are important—as they are for an ever-growing share of the economy—smaller firms will increasingly predominate.

From among these smaller firms some larger ones will eventually emerge—the next generation of Microsofts. Bigness will continue to exist. But the overall economy will look nothing like John Kenneth Galbraith's mid-1950s landscape of gargantuan bureaucratic corporations. Dinosaurs will continue to walk the earth, but the important creatures to watch will be the quick, fast-growing little hairy ones scurrying in the underbrush.

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Control Freaks

Robert Conquest traces the history of power plays

Robert Conquest is one of the century's leading commentators on Soviet communism, in such pathbreaking books as The Great Terror *(a 1968 account of Stalin's purges) and* Harvest of Sorrow *(the definitive 1986 chronicle of the collectivization of agriculture in Ukraine). His most recent book,* Reflections on a Ravaged Century, *looks at the role utopian centralizers have played in contemporary history.*

In addition to his many non-fiction works, Conquest, a fellow of the Royal Society of Literature, has brought out six books of poetry and one of literary criticism, as well as a science fiction novel, a verse translation of Aleksandr Solzhenitsyn's Prussian Nights, *and a novel co-authored with Kingsley Amis.*

Conquest served in the British infantry in World War II and thereafter in Britain's Diplomatic Service. Now a senior research fellow at the Hoover Institution, he recently spoke with TAE *editor in chief Karl Zinsmeister.*

TAE: Where does the centralizing impulse in politics—the desire to have one small group tell everyone else how to live—come from?

CONQUEST: Well, there's a general tendency to increase your power at the center against the interests of everybody else. History shows that unless there is a check on this and society is somehow balanced, centralization will take place. The tendency of bureaucracy to get larger and larger is with us everywhere.

TAE: What are the factors that cause one society to go farther in that direction than another?

CONQUEST: The only societies that have done well in resisting this have been pluralist societies where different interests have kept each other in check, so no central figure could force himself on others. In a few places like England and Switzerland, freer social orders grew up where several different and not readily compatible forces prevented any of the others from getting an upper hand. It was sometimes a close call but in England monopolization of power was repeatedly defeated, so decentralist traditions survived. During the English Civil War, for example, local judges remained, administering ordinary law, while the armies marched to and fro across the country.

This is the model put forth by America's founding fathers, with their promulgation of competing interests and checks and balances. The reason they didn't want pure democracy was that they wanted to prevent any particular section of society from ruling over others.

TAE: Have Catholic and Protestant nations developed differently in this area?

CONQUEST: The mere fact that Protestantism split the church up into smaller parts did provide a notion of pluralism. If the guy in the next city is under a different regime from me, maybe variations are possible. But at the same time, the Swiss developed democracy in the Catholic cantons as much as in the Protestant ones; so this seems not to be a definitive factor.

TAE: Historically, what have been the effective restraints on a centralization of power?

CONQUEST: Well, here we go back to religions and traditions. Back in Saxon times in England, 1500 years ago, there was a balance of power between the centralized state and the many minor nobles. Even representatives of the serfs were included in meetings where decisions were taken. The so-called kings were mainly in charge of war. That sort of arrangement was much less common or non-existent over most of Europe.

One important reason for this is because in England there was always a good deal of economic pluralism, even in the countryside. Lots of people produced stuffs for the market. Unlike in other parts of Europe, land was not divided amongst all the children into tiny, non-economic sizes—instead, one son took it all—and farmers maintained some economic leverage.

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There was economic mobility in England. There wasn't a peasantry in the way there was in, say, France. So economic factors were critical in maintaining English freedoms.

TAE: Does communism represent the apogee of political and economic centralism?

CONQUEST: Yes. Communism controlled society not simply in practice but also in theory and principle. Communists didn't just come together and turn into tyrants, they decided they *had* to be tyrants. That is the contrary tradition to the English and Swiss.

It comes not just from an impulse to dominate but also from the semi-rational ideas of revolutionary France, where the notion arose that "we thinkers know how to run society, and anybody who doesn't agree with us is an enemy of the people"—not an opponent of me, the tyrant, but an enemy of the people.

TAE: With communism dead, some think the threat of utopian centralization is gone. But people also thought that after the French Jacobins were defeated, yet 100 years later the Russian Bolsheviks brought the same ideas back to life. Will we have another recurrence of tyrannical centralism 100 years after Bolshevism?

CONQUEST: I don't think we can make predictions. But I think a slightly dangerous tendency in the West is the notion that "democracy" means anything which you vote for the state to do, the state can then pursue without limits.

Rather than a Bolshevik-type revolution, what endangers us now is an evolution toward centralism by slow degrees. We're getting a bit of that in Europe today, where the European Union bureaucracy in Brussels is absolutely frightful and intervening in all sorts of tiny matters—the size of strawberries, the quality of beer, and so on. Not that it matters particularly if you're told strawberries must be a certain size, but it's a very bad principle to let get established.

TAE: Do people become numb to the threat of a slow, creeping centralization?

CONQUEST: Yes. We are not really conscious of it, partly because a large section of the intelligentsia insists "these ideas are right, all we need now is to have government enforce them." This is a very primitive notion, a precritical notion.

This is a serious problem in academe, more so than in the population as a whole. The population as a whole may not have very clear ideas, but they have much better instincts. Although they want the state to do things, they don't want to be interfered with.

But the state is doing more than it should everywhere. Until quite recently economists said the state should handle perhaps 25 or 30 percent of the economy at the most. It's well above that these days in many countries.

TAE: What is your answer to someone who stands up today and says, "Communism was done in by its brutality, the foolishness with which it was implemented by the Russians and others, but there is nothing wrong with communist theory"?

CONQUEST: It doesn't mean anything, because you can't put communism into effect *except* by terror. How can people accept a monopolistic idea, a monopolistic method, total centralization, except by terror? Which is why every single time it's been tried, everywhere, it has been oppressive. From Cambodia to Ethiopia, from industrialized countries like Czechoslovakia to agricultural nations like Vietnam, it can only be put into effect that way.

Molotov was once asked whether, if Lenin had lived, the collectivizations in Russia would have been accomplished with the same brutality Stalin employed. And he said yes, it couldn't have been done otherwise, without the same casualties, the same losses.

TAE: How thoroughgoing was Soviet centralization?

CONQUEST: They were very centralized on anything to do with thought or action which affected political leadership in any way. People went to jail or were shot simply for expressing an opinion that the government wasn't good.

The Soviets also had total control of the educational system. They enforced what amounts to a frightful mental terror. Even people like the dissident intellectual Andrei Sakharov said they had great difficulty breaking free from communist thought, because there was no alternative.

And everything in the economy was under state rule, though that control wasn't quite so well worked out—because if you were a director of a factory you couldn't fulfill your assigned plan *without* cheating.

In the long run, it turned out not to work, partly because the old ideas of independent thought were still there in a suspended way. (Although they got rid of large numbers of independent thinkers, they couldn't completely crush the independent mind.) And partly because the system just didn't function; it wasn't competent.

The irony is that in decentralized America, things like pure food laws were much better enforced than in Russia. Though the Soviet government was much more omnipotent, it couldn't manage those sorts of interventions. One reason is that the more bureaucratic and centralized the state becomes, the more inefficient and corrupt it is. This absolutely hobbled the Soviets. Similar problems are now arising in Europe, where massive corruption in the European Union bureaucracy has just been exposed. That's another accompaniment to modern centralization.

One reason England and Norway, for example, don't like continental Europe is the habit of, say, the French of tolerating a big intrusive government by simply failing to obey its rulings.

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There's a research paper just out that documents the scope of the underground economy in various countries. In America, where government is minimal and people basically obey it, underground activity runs at only about 10 percent of the economy. But in the countries of southern Europe, 30 to 40 percent of activity is illegal, because they're used to ignoring governments who try to enforce all sorts of things they shouldn't be involved in.

TAE: One of the great horrors of twentieth-century centralizations was Stalin's attempt to collectivize Ukrainian agricultural production in the 1930s. What is your latest estimate of the total resulting deaths?

CONQUEST: Something like 7 million people starved to death. Adding in people who were shot and so forth, around 10 million died.

TAE: How much of this was an intentional act of genocide on Stalin's part against small landholders who might have been politically dangerous to him, and how much was an unexpected byproduct of the collapse of agricultural incentives because the Communists didn't understand economics?

CONQUEST: Well, they didn't understand economics. The Marxists thought that they could rule everything, set prices, and order production. When they decided to bring in socialism, a planned economy, and collective agriculture, they were determined to enforce these theories no matter what.

So the government actually *produced* the famine—they took grain away from people who had it, and who then starved. Their method was to say that the crop must be as big as it used to be because we're now better organized under state planning; so we'll take away our share—which turned out to be all of it.

But the Communists were also acting to enforce their own power. The idea was that so long as the peasant was able to produce and sell, he wasn't really under control. Their insistence on the total centralization of power required the destruction of the independent farmer.

If they *hadn't* brutally collectivized agriculture, I think the Russians would have quickly drifted into something like Gorbachevite Communism that would have collapsed and faded away. The Soviet government was in grave danger of collapsing in 1930, '31, '32.

So in one sense, the collectivizers were right. While their methods didn't work, their regime would have rapidly disappeared without those methods. But it was a dreadful miscalculation, ultimately.

TAE: If all of this hadn't taken place in Russia, where would the great communist experiment have been launched?

CONQUEST: Well, it might not have been launched at all. It was bad luck that this group of fanatics took control of a big country. For they then used their organizational powers, their financial means, to establish groups all over the world to spread their movement.

And that made an enormous difference. Before the Bolshevik influence, there were countries which were evolving from what we call a backward state, but they weren't evolving in the communist direction. Places like Tunisia and Turkey weren't developing by centralizing power. But then Leninism came along and, partly through great financial aid from Moscow, became popular with local intellectuals. And soon, centralizing, dictating, Leninist parties were multiplying all around the world.

Without the existence of the Soviet regime it would have all gone differently. The Soviets were a very bad influence on Africa, Asia, and South America, not to mention Europe.

TAE: Writers and painters and artists—who tend to be extreme individualists in their own lives—have often in this century been very friendly to centralizing schemes. Why?

CONQUEST: Yes, Picasso, George Bernard Shaw, hundreds of others. It's quite astonishing, really. And you might have added scientists. There were plenty of scientists who supported Stalinism.

Many of these people were not educated in reality, in knowledge, in practical sense. And they were safe. If you're a communist apologist living in America or Britain, it's not going to do you any harm; so you can show off to your heart's content about how alienated you are from capitalism. The later thing was for academics to blast capitalism like hell, while living high off of it. Not directly, of course—professors don't do the direct "greed" stuff, but they are all the more sponges for living off it indirectly.

TAE: Of course, on the flip side, Russians and others suffering under oppressive governments often produced great literature. Can experiencing repression produce powerful art?

CONQUEST: Well, Solzhenitsyn, for example, was a product of the pressure on him. But he was also a product of the pressure within him—of what he had absorbed of the great previous Russian writings.

TAE: One of the most energetic opponents of government centralization in recent decades was British Prime Minister Margaret Thatcher. As someone familiar with British politics, tell us where you believe she was most and least successful in breaking up state power.

CONQUEST: Well, she broke up the state monopolies like the airlines and phone companies and so forth, though not entirely successfully. She also broke the very bad effects of the union movement, which was wrecking the economy. And she made it clear by winning all those elections that there wasn't any future for socialism. Socialism is now dead in England. Even the Labour Party doesn't profess it.

But the new danger is corporationism, as it were, where the state joins in cozy alliances with big businesses. This is part of the slower drift toward bureaucratic centralism, which is harder to warn against than outright socialism, though also dangerous. It's happening in China today, where they've moved away from the worst aspects of communism, but not toward what one would call a very wonderful society.

TAE: What causes the public to react sometimes, but not others, when central governments usurp private rights and prerogatives?

CONQUEST: Well, in England when the Conservatives and

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Labour were fighting over nationalizations and denationalizations of the steel industry, a poll was taken that showed only 10 percent of the public on either side had the slightest interest in the subject. There was no popular feeling for nationalization or against it. Many of these battles will have to be fought out by the small number of people who care enough and are informed enough to take note. The public will often be oblivious.

Or sometimes worse than oblivious. When Britain set up its National Health Service, that was extremely popular, and to some extent still is. America has this same problem. There is an appeal to big central programs that promise to give you something. Everybody wants more money spent on his health, and then the bureaucrats come in to plan, and organize, and reorganize.

TAE: Though Russia is no longer burdened with communism, it is burdened with a populace used to having not only their health care but also their jobs, their houses, and everything else handed to them. When people have been patronized in this way for their whole lives, how do they learn to be independent and self-supporting again?

CONQUEST: Well, despite official claims, the Soviet health service was terrible. It was riddled with corruption and "personal arrangements"—"I'll get your boy into school if you treat us," that sort of thing. So it took a certain amount of entrepreneurial panache to navigate even that system.

In fact, that's what keeps Russia going today, the underground economy, the informal economy, in health care and all other areas. But, of course, getting used to not going to the state for things when you've been a serf of the state for 70 years is hard going. It's going to be a hell of an adjustment.

TAE: Aleksandr Solzhenitsyn has proposed a radical solution for having Russians take responsibility for their own affairs. He would devolve power to a very local level, to villages and so forth. Is this type of decentralization quixotic, or is it forseeable in a modern nation?

CONQUEST: The whole question this raises is the idea of "subsidiarity"—which was Thomas Aquinas's word, I think—the idea that everything which doesn't *have* to be done centrally ought to be handled lower down by a more indigenous authority: the county instead of the state, the family instead of the county, and so forth. The larger state should have to prove that its involvement is absolutely necessary before it takes on something centrally. That hasn't been fully observed anywhere, but it's similar to the American principle of federalism.

I think it's perfectly true that the more the villages can decide for themselves the better. But not to the extent of forming independent units where their militia end up fighting other villages.

TAE: Given that the record of state economic planning and communism is so unambiguously awful, why did communism's collapse not stain more of its defenders in the West?

CONQUEST: The whole question of communism became a matter, in America particularly, of partisan fervor. All anti-communists were called McCarthyites, and so forth. Many of those defending the Soviets in this country were fighting not so much *for* Russia as *against* their own citizens who took the opposite view. Something similar took place in France.

That feud continues, particularly in academe, though the terrain being fought over has shifted. There are as many academics today who are fanatically wrong about other subjects as there were academics who were wrong on communism.

TAE: But why have persons proven to have been calamitously mistaken been allowed to wriggle away? For instance, in a recent issue we quoted Lester Thurow—dean of MIT's *business* school, for heaven's sake—writing in 1989: "Can economic command significantly accelerate the growth process? The remarkable performance of the Soviet Union suggests it can. Today it is a country whose economic achievements bear comparison with those of the United States." Why isn't this fellow laughed out of court?

CONQUEST: These people were had for suckers. They believed figures and images and statements about the Soviet Union that did not accord with reality. This was also enforced in the Soviet Union. You had to believe the place was a happy, well fed, and so forth. Arthur Koestler writes about how astonished he was in the 1930s when he found himself in Kharkov, Ukraine, and read in all the papers of wonderful achievements in economics, gymnastics, citizens as happy as kings. Yet in that very city if there was any electricity two days a week you were lucky, and people were dying of starvation within five miles. He said there were two different Soviet Unions, the real one and the one put forward in the West. Often the unreal one was backed by huge amounts of impressive, phony statistics.

It takes two to sell the Brooklyn Bridge; you need both a crook and a sucker. The apologists in this country swallowed the rubbish about communism because they didn't like the people putting forth the opposite view. Their minds were blanked out by ideological opposition to what they viewed as injustices at home.

There's a Tennyson poem where some hysteric sees a fly on the windowpane and mistakes it for a huge bull in the field. He's focusing incorrectly. These incidents raise questions about the intelligence of the so-called intelligentsia. It's a problem by no means solved.

TAE: It's strange that those who were so forgiving toward the Soviet Union are tremendously critical toward their own society.

CONQUEST: Oh, yes. Yet they also believe any guff about the progressive wonders of Nigeria or Cuba.

Some years ago, someone at the London School of Economics got a lot of students to sign a petition on behalf of an oppressed province in South America which didn't even exist. The signers professed to "fully support the poor suffering workers of so-and-so."

It's amusing. But also tragic.

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In praise of Gridlock

How U.S. "special interest" politics will block further government centralization

By James Payne

Will big government get bigger? Certainly the federal government has undergone enormous growth in the twentieth century. In 1901, federal spending was less than 3 percent of the gross national product. By 1970, it was over 20 percent. In the same period, the number of non-military federal employees increased 360 percent, after adjusting for the growth of population. The twentieth century stacked new centralizing innovations one on top of another: the national income tax, the Social Security Act, two World War mobilizations, a Civil Rights Act that eroded state sovereignty, and the birth of Medicare and Medicaid.

At first glance, this century's history suggests that modern government is inherently expansionist, and that further increases in the size and scope of federal rule are inevitable. This dire prediction may not be born out, however. Modern government is mutating into a species not seen before, a variant which may not be as prone to growth as in the past.

The novel regime taking root in America is "hyper-representative" government, government that teems and pulses with the interests and opinions encompassed in the nation. The most visible aspect of this new system is the rise of pressure groups. These were so few and far between that political scientists didn't even notice them until the 1940s. At that time, there were a few score: the major labor unions, three farm groups, and a handful of business groups and manufacturers' associations. Since 1970, the number of lobbying groups has exploded. They now total nearly 23,000, according to the *Encyclopedia of Associations*, including 3,834 trade and business groups, 1,112 farm and environmental lobbies, 2,481 groups in the health and medical care field, and 2,068 think tanks and public advocacy groups.

Another development is government's amazing openness. Today, government officials are expected to *listen*. And so government has developed new ways of gathering opinions and being sensitive to all groups and arguments. Whenever an agency contemplates significant action, it holds public meetings to gather community input. These hearings are taking place all over the country, in federal, state, and local agencies: hearings on how dams should be operated, on closing roads in national forests for grizzly protection, on changes in state welfare systems, and so on. A staffer will often set up a huge flip pad on an easel and write down every comment and complaint offered by the audience. These comments are then typed up and distributed around the bureaucracy. In some respects, this may be a silly exercise, but it does reflect an astonishing change in the culture of bureaucracy. Administrators are now highly sensitive to—and often afraid of—even the tiniest group that might object to an initiative.

Another practice that has grown by leaps and bounds is the use of advisory committees, outside experts, industry representatives, and laymen who advise administrators and lawmakers about specific policy areas. At last count, in the federal government alone there were 963 advisory panels with a total of 36,586 members. That means an additional 36,586 outside voices telling federal officials what is wise, true, and needed.

The growth of political information is also part of the transformation. Historically, governments have silenced their critics with ruthless punishments. Long after freedom of the press was achieved, government officials still used their powers to intimidate critics and cover up official actions. Recent developments make such obscurantism more difficult. The Freedom of Information Act, now the fulcrum of many lobbying campaigns, was passed in 1966, but it didn't become effective until amendments approved in 1974 and 1976. Open-meeting regulations that required policy making to take place in public view were adopted by Congress in 1970 and spread to state and local government in the following decades.

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For many observers, the new system of hyper-representation is a perversion of government. In the textbook theory of government, lawmakers and administrators are supposed to make and carry out laws with Olympian detachment, consulting only truth, justice, and the national interest, undistracted by the pleading of "special interests." Conservatives are especially worried about the proliferation of pressure groups seeking pork-barrel spending. While this negative view is justified in some respects, it misses the larger picture: An extremely representative government is a healthy development, one that may well pave the way to limited government!

To understand this possibility, we need to ask this question: Is lawmaking hard or is it easy? In textbooks and for the general public, it's easy: You see a problem, and then pass a law to fix the problem. Are people being killed by guns? Pass a law against guns. Are species becoming extinct? Pass a law protecting endangered species. In this view, anything—such as the representation of interests—that slows down or tangles up the decision-making process is bad.

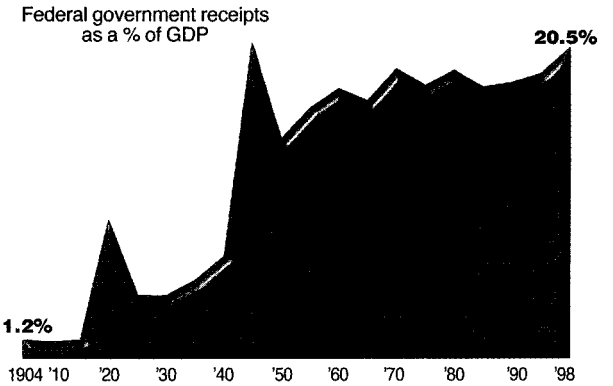
But this see-a-problem-pass-a-law approach is shallow. Society is enormously complex, and laws are blunt instruments. They force millions of people to do things they don't want to do, and therefore, in their actual operation, they provoke resistance and non-compliance, and produce numerous unintended consequences. This means lawmaking is difficult, often impossibly difficult, because the human mind, unaided, cannot anticipate all the effects of legislation. Therefore, policy making that takes place in Olympian detachment typically leads to shortsighted laws—measures which appear attractive, but when they meet the shuddering complexity of society, history, and Murphy's Law, prove to be ineffective, wasteful, or even counterproductive.

For thousands of years, arrogant, shallow rulers have followed this lawmaking-is-easy model, imposing injurious measures and not noticing their errors until too late. Our officials are no wiser than the rest. But the context in which they operate has changed: Hyper-representation compels them to notice the possible harm of proposed measures. After all, a pressure group, for all its faults, does represent human beings who will be affected by legislation: walking, talking embodiments of a proposal's possible effects. Large numbers of such groups impinging upon Congress bring the implications of legislation to the attention of lawmakers *before* they act on it.

In the old days, rulers were like small boys tempted to knock down a hornet's nest. At a distance, the nest looks calm and vulnerable. So the attack is quickly mounted—to the eventual sorrow of both boys and hornets. Suppose, however, that genuine representation takes place: A few hornets visit the boys to explain what a hornet's nest is, who lives there, and how they feel about boys who swat their nest with sticks. As a result, the boys pause, break into factions, argue—and perhaps take no action at all.

Hyper-representative government tends to work the same way. Instead of making shoot-from-the-hip decisions about far-off problems, officials experience the implications of proposed measures in the form of claims, demands, and predictions from a multitude of outside spokesmen. The overall result is something philosophers of limited government like Friedrich Hayek would endorse: a government that appreciates the complexity of society and therefore tends to stay out of things.

Wealth funnels to Washington



Source: U.S. Office of Management and Budget; U.S. Dept. of Commerce; editor's calculations.

A good example of hyper-representation at work was the federal price control program of 1971-73, an episode which marks, at least approximately, the beginning of this new system. Price controls are a classic example of the see-a-problem-pass-a-law approach. In 1971, suffering from inflation, Americans were persuaded that the nation needed a law against price increases. Congress and President Nixon obliged with price controls imposed on the entire economy. At first, the law was wildly popular.

What the nation soon learned, however, was that it had a government far too sensitive to carry out meaningful price control. After all, price control injures people. It prevents workers, investors, and merchants from obtaining the income they need or expect. So if you're going to do it, you've got to be ready to dish out lots of hurt. The Roman emperor Diocletian had the right idea with his price control edict in A.D. 301. He fixed the prices of thousands of goods and services and then sent soldiers out to enforce them on penalty of death. Of course it produced economic disaster, but at least his price controls had teeth.

Teeth were the last thing anyone had in mind in 1971. C. Jackson Grayson, the chairman of the Price Commission, explained the agency's mission in his book about the episode: "Above all we had to listen, listen, listen and take actions that would satisfy the public's expectations." The commissioners called in spokesmen from all over the country for advice. On one November morning, they heard from eight dry goods retailers at 9 a.m., nine manufacturers at 10 a.m., eight food retailers at 11 a.m., and six consumer representatives in the afternoon.

All this "listening" revealed that an economic system is a complex, delicately balanced organism and that bureaucrats can't arbitrarily fix prices without causing inequities and inefficiencies. As the requests for price increases flooded in from businesses—400,000 in the first three weeks—the Price Commission found itself approving almost all of them. The Commission also discovered that trying to hold down prices impaired product

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quality. In health care, for example, the Commission hoped to fix price increases at 2.5 percent. But a health services advisory committee explained this would cause doctors and hospitals to take short cuts. So the Commission allowed a 6 percent increase.

The Price Commission wasn't the only body succumbing to the moderating effect of representation. Congress heard many protests about problems and inequities and exempted a growing list of groups from controls: low-wage workers, farmers, small businesses, union workers, school teachers, exporters, and importers. As exemptions and permitted price increases multiplied, the price control effort began to collapse.

While the policy was unraveling on the economic front, it was also losing the public relations battle. Government programs, as Bismarck remarked, are like sausages: The more you know about them, the less appealing they are. The old-fashioned system of simplistic laws can thrive only if the public doesn't find out about the silly, unfair, and harmful side effects almost any law produces. Under the new regime of openness, reporters, scholars, trade groups, and think tanks probe policies and expose their flaws and shortcomings, and in 1971, this emerging system of criticism went into high gear on price controls. Businessmen declared they were being ruined by the controls. Labor groups complained workers were being cheated. Consumers said that the controls were a sham and that the government was bowing to special interests (which was substantially true).

The controls themselves generated a host of paradoxes and inequities that made for amusing, and blood-pressure-raising, op-eds and cartoons. Head price-controller Grayson was the object of pickets and demonstrations. The drumbeat of media criticism played an important role in leading to the shutdown of the Price Commission only 15 months after it had been set up. Its praiseworthy openness helped guarantee its being perceived as a confused, pointless agency.

The outcome of the price control program, then, was not what conservatives feared. It did not lead to bigger government micromanaging economic life. Because so many interests were represented in the process, the country found out, empirically, that price control is a messy, ineffective policy.

MAKE GOVERNMENT COMPETE

In his book Real Federalism *(AEI Press, 1999) lawyer Michael Greve argues that U.S. governance could shift toward a more decentralized model in future years, and that this would be a good thing.*

Real federalism aims to provide citizens with choices among different leaders, regulatory regimes, and packages of government services. Federalism is about *competition* among the states. Citizens' ability to vote with their feet and to take their talents and assets elsewhere disciplines government in the same way consumer choice disciplines producers.

Citizen choice operates at all levels of government, whether citizens consume government services as business owners, investors, workers, or for that matter as retirees or welfare recipients. Given a choice between compulsory-union states and right-to-work states, manufacturers will build plants in the latter rather than the former. New York residents who have to pay high sales taxes in Manhattan will shop in Jersey City instead, in turn inducing New York City to provide tax-free shopping days. At a local level, home purchasers will look for not simply a house but also a stream of government services and regulations: Property tax rates, school quality, and police protection profoundly affect purchase decisions.

The advantages of citizen choice extend not only to economic matters but also to social issues. Some people do not wish to live near homosexual enclaves; others like an anything-goes, bohemian environment. Some people want bans on smoking in public places; to others, such restrictions feel authoritarian. Federalism permits various constituencies to sort themselves out and live peacefully in parallel.

Too often, federalism's competitive, disciplining effects have been denounced as a "race to the bottom," the bottom being the level of government services provided by the least interventionist (or least "humanitarian") state.

True, federalism does inhibit the redistribution of wealth and frustrate interest groups who would impose uniform rules on all Americans, but it is not a prescription for a libertarian state. Far from making collective experiments impossible, federalism allows citizens to run such experiments—and to run *from* them.

* * *

Egalitarians and government planners like centralization. They want to put people in their place, whereas federalism encourages people to move about. Interest groups want government to redistribute wealth to their own advantage. As a rule, this purpose is best accomplished at a central level of government, because the costs can be distributed over a larger population of losers and because the losers cannot thwart the designers' schemes by voting with their feet. "No exit" is the motto of centralized government.

A centralized politics makes absurd but tempting promises. Much as an unconstrained national government both panders to and encourages the infantile notion that we can have it all (and for free!), federalism not only requires but also *teaches* adult realism and tolerance for imperfection.

America's Founders endowed us with a federalism uniquely suited to present circumstances. We do not have to invent 50 states. They exist—enough of them to permit effective competition and fairly good places to mobilize resistance to national schemes. Above all, the Founders endowed us with an awareness of the central political problem—to govern, and yet to control government. They thought of government as a monopoly problem, and they endeavored to solve it by subjecting government itself to competition.

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The heyday of the old system of legislation was the New Deal. In the 1930s, Washington saw hardly any significant representation of the interests national legislation involves. Administrators would draft major bills in a matter of weeks, and legislators would promptly pass them, then dust their hands with pride and turn to the next national problem. From a distance, it looks like an idyllic way to run government, and many today long to return to it.

A close look, however, reveals that this system was highly dysfunctional, precisely because, lacking genuine representation of affected interests, officials did not realize the harmful implications of their policies. The Roosevelt administration above all hoped to combat the Depression, yet it adopted a string of policies that defeated this aim. For example, Congress and the administration raised the effective federal tax rate 700 percent between 1932 and 1939—a sure way to discourage work, investment, and business formation. The new Social Security tax dealt a body blow to the economy, while efforts to regulate prices and wages introduced new inefficiencies and uncertainties into the economy. As scholars John Makin and Norman Ornstein put it, the Great Depression wasn't an accident: "It required an almost incredible stream of wrongheaded, harmful policy moves before it could happen."

Just as silence permitted these harmful measures to be adopted, silence prevented the public from ever noticing they *were* harmful. Since there were practically no think tanks, advisory bodies, or pressure groups to stir up publicity about the defects of Roosevelt's economic measures, the general public thought they were "working." Instead of realizing that New Deal policies were causing the Depression, most people assumed they were curing it.

One sign of the shallowness of New Deal legislation was its brevity. For example, the Social Security Act of 1935 was only 29 pages long, even though in addition to creating the Social Security System, it also put in place the FICA tax, the national unemployment compensation system, and Aid to Families with Dependent Children (AFDC). By contrast, today's laws are ponderously long, usually running to many hundreds of pages. People today who deplore the way these lengthy modern laws confuse and paralyze government miss the point. Older laws weren't short because lawmakers were especially wise, but rather because they were incredibly naive. They had little awareness of all the side effects, exceptions, and contradictions involved in their sweeping measures. They blithely assumed that their vague good intentions would translate into a happy reality. For example, the section of the Social Security Act that created the AFDC welfare program was two pages long. That program, we now know, was based on false assumptions and, as a result, it sowed personal demoralization and family disintegration on a national scale. When Congress revisited AFDC in the 1996 welfare reform bill, it took 56 pages to try to straighten out the social blight created by those two hasty pages.

The public, trusting in the simplistic model of "easy" lawmaking, wants short laws quickly passed—edicts which, it supposes, will fix things with a snap of the fingers. Modern democratic government, burdened with the representation of far-flung needs, ideas, and aspirations, cannot act so simply. As a result, today's sweeping initiatives become long, convoluted, controversial—and often unpassable.

DECENTRALIZE NOW

To regain the direction missing from its ranks since the collapse of Communism, the Republican Party ought to declare a new unifying principle: support for devolution and decentralization.

Though big corporations sometimes find it convenient to seek nationwide regulations and subsidies, free enterprise generally benefits most from economic competition among jurisdictions. Likewise, the grievances of social conservatives are very often a product of overcentralization—the national imposition by federal courts or factions in Congress of social and moral rules unpopular in many parts of the country.

It is fashionable to proclaim that developments in communications and transportation make ever-greater centralization inevitable. Actually, the movement to a service economy based on decentralized workplaces reduces the need for heavy hands like those used to regulate manufacturing industries.

Meanwhile, the political centralization toward Washington that we increasingly take for granted is not a product of modernity but rather an outgrowth of the special demands of the civil rights movement to enfranchise southern blacks. With minorities now better represented in state and municipal legislatures than they are in Washington, the bias toward federal over local solutions ought to be reversed.

Even Western Europe—surprisingly enough—demonstrates that nothing in modern conditions requires governmental power to become more and more centralized. Though the trends in European economics have been away from localism, and though in total size European governments are bloated, in domestic government the main shift since World War II has been toward decentralization. General De Gaulle declared in 1968 that the centralization of French government in peacetime was a source of weakness not of strength. In Germany the national government is constitutionally disabled from any significant role in law enforcement or education, and the upper house, constitutional court, and central bank are in substantial measure creatures of the state legislatures. In France and Germany there is now constitutionally rooted revenue-sharing. New regional governments (like the Scottish parliament) have been created in Britain, France, Italy, and Spain. In Britain (as well as Australia and New Zealand) local boards have been given vast powers over individual state schools. Throughout Europe, enlarged authority has been handed to parent councils.

The result: The United States—once the most decentralized of the advanced nations—is now one of the most centralized.

It's time for us to return to our roots. Jefferson's precept is even truer today than it was in his era: "It is not right for all government to be in the hands of a few when nature has scattered talents among all sorts and conditions of men."

—Baltimore attorney George Liebmann is a TAE *contributing writer.*

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Exhibit A would be Hillary Clinton's failed effort to "reform" health care. Fifty years ago, the diffuse popular feeling that government should "do something" about medical care would have produced a five- or ten-page bill setting up a national health care system. In hyper-representative government, such simplicity is no longer possible. Many interests have to be consulted, and their input produces a blueprint that is tangled and unappealing.

The global warming issue also illustrates this pattern of paralysis. At first, it looked like a traditional expansion of governmental power was about to occur. Excitable people became disturbed by an apparent problem. They said, "There ought to be a law" (to limit the consumption of fossil fuels) without weighing all the complexities and unintended side effects of such a law. Thus we got the Kyoto treaty. But notice what happened next: nothing at all. The pressure groups and pundits jumped into the fray, and Congress, sensitive to the cacophony, hasn't even attempted to act. Even if the Senate should approve the treaty, the idea that Congress would impose draconian restrictions on American energy use is entirely implausible. It can't even get around to taking away SUVs from soccer moms.

The recent push for more gun control legislation in the wake of the Columbine killings is another example: First comes concern about a community problem, the cry that "there ought to be a law"—then nothing. The merchants of hysteria complained that special interests derailed the process. This was correct, but oversimplified. The special interests reflected the many complex implications of gun control legislation. Think tanks brought up the point that it could *increase* gun violence by taking guns out of the hands of those who might stop violent rampages. Other groups pointed out that such legislation could destroy hobbies that give many Americans pleasure, and still others showed how it would destroy businesses that feed many American mouths. The more legislators were compelled to recognize such implications, the less enthusiastic they became. You can't have the old system of see-a-problem-pass-a-law when the complexity of laws is made apparent.

Modern government does not seem poised for any great power grab. Instead, it is sliding into inertia. Of course, politicians will keep pledging to enact measures to fix this or that problem, but given today's highly open politics, efforts to implement new edicts will often lead to deadlock and half-measures. For the general public, this pattern of promising and then not delivering is likely to increase cynicism. But for advocates of limited government, this crimping of governmental activism is an encouraging development.

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Yet Gorbachev and Co. set out to fight more of a moral than economic battle. When the future "godfather of *glasnost*," Alexandr Yakovlev, returned to Moscow after ten years in Canada (as Ambassador), he had "an impression…that a moment was at hand when the people would say 'This is it! We cannot live like this any longer.'" Gorbachev's confidant and future Foreign Minister Eduard Shevardnadze recalled how, as early as 1979, he and Gorbachev "spoke of the many absurdities of our life and came to the conclusion that we just could not go on like this." Gorbachev himself wrote that "we had to change life radically, break away from the past malpractice."

Gorbachev's other alternative was to try a version of Khrushchev's "thaw": limited political liberalization and economic de-centralization. Following Khrushchev's path, however, would almost certainly have brought him to Khrushchev's end—pushed aside by his own fellow rulers. If Gorbachev was to avoid this political fate, he would have to appeal beyond the central authorities and find, as he put it, "proposals that would engage the entire society" in *perestroika*.

This led to Gorbachev's first revolutionary act. Since the arrival of Communism, disputes in the Soviet Union had been settled exclusively within the tight boundaries of the ruling political class. But in January 1987, speaking at the Plenum of the Central Committee over the balding heads of its members, Gorbachev appealed directly to everyday Russians for support, in exchange for new liberties.

Well-informed of the warts of the present, and thereby partly rid of ideological blinders, the Kremlin took a turn toward "democratization." It was a turn away from seven decades of tragic rule from the center.

In the first century A.D., an ancient writer recorded a scene he described as typical of any "great city of Greece or Italy" at the time:

> In all the crowd and cram and crush everyone [is] calmly doing his own business; the piper piping and teaching to pipe…buying and selling…harping and painting pictures…one giving a show, one reciting a poem, one singing…and not one of them preventing anyone else from his own particular business.

This vignette of free and uncontrolled existence would strike anyone familiar with Communist Russia as alien and unattainable there. The ability of everyone to go their own way without supreme arbiters, without enforcers of order, without planners and officials and police, would have seemed unimaginable a decade earlier. But just a few years after Gorbachev's stumbling reforms gave way to Boris Yeltsin's shutdown of the Soviet Union, such scenes of autonomous and unregimented living have become commonplace in Russian cities and towns.

Having been brutalized by terror and lies, gnarled by fear and poverty, paralyzed by total dependence on the state, the Russian people now must journey from being tightly controlled subjects to becoming free individuals. That is not going to be easy or fast. Yet, like a convalescing invalid, Russia is beginning to hobble away from the prison hospital with its awful food, harsh nurses, ugly surroundings, and imperious warden.

The sublime pleasures and terrifying responsibilities of Unsupervised Life are Russia's at last.

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The Decline (and Return?) of Localism

By John Shelton Reed

Last summer, at an academic conference on the beautiful campus of Washington and Lee University, I listened to a historian criticize that institution's co-namesake, Robert E. Lee, for holding some retrograde views—like those expressed in this extract from a letter Lee sent his admirer Lord Acton:

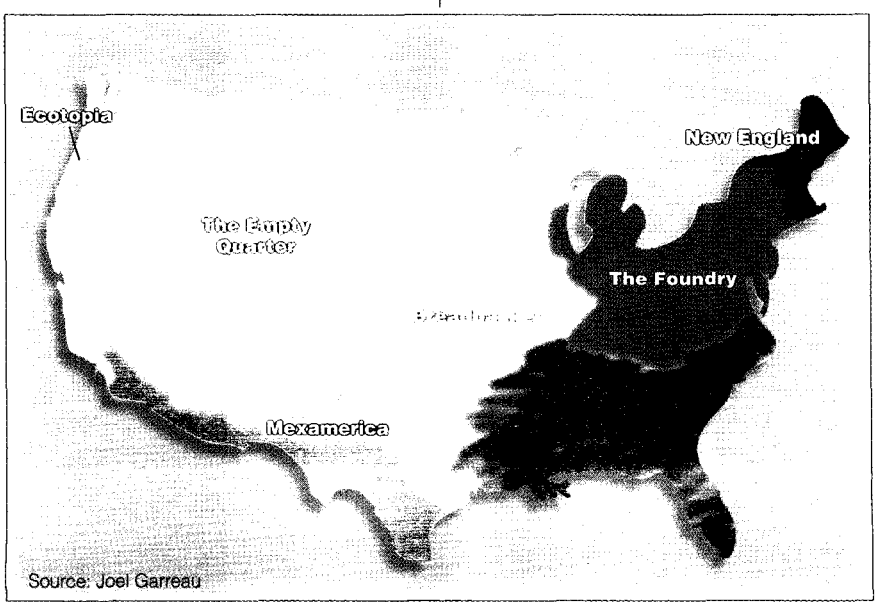
> Maintenance of the rights and authority reserved to the states and to the people [is] the safeguard to the continuance of a free government. I consider it as the chief source of stability to our political system, whereas the consolidation of the states into one vast republic, sure to be aggressive abroad and despotic at home, will be the certain precursor of that ruin which has overwhelmed all those who have preceded it.

What exactly is it about that long-established and very American decentralist position, I thought to myself as I listened, that seems so foolish to the good professor?

Even a modern, hard-headed nationalist like the scholar-diplomat George Kennan could propose something similar as recently as 1993. In his book *Around the Cragged Hill*, Kennan presented his "pipe dream" in which the United States would be devolved into a dozen "constituent republics." In his scheme, each of these regional republics would exercise "a larger part of the present federal powers than one might suspect—large enough, in fact, to make most people gasp."

Kennan proposed this arrangement because, in his view, "excessive size in a country results unavoidably in a diminished sensitivity of its laws and regulations to the particular needs... of individual localities and communities"—especially in a country as heterogeneous as ours. The resulting "loss of intimacy between rulers and ruled," Kennan argued, leads to "the impression of remoteness and impersonality on the part of government and of insignificance and helplessness on the part of the individual, and thus impair[s] the very meaning of citizenship."

Moreover, Kennan observed, big countries are prone to "the hubris of inordinate size," manifest in "a certain lack of modesty in the national self-image" and "a vulnerability to dreams of power and glory to which the smaller state is less easily inclined." In short, Kennan suggested that centralized government in a nation as big as ours inevitably leads to, well, despotism at home and aggression abroad.



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REGIONAL IDENTITIES MAY BE FIRMING UP AND SPRINGING INTO NEW IMPORTANCE.

The relative balance of regional and national loyalties in America has varied from time to time, and from one part of the country to another. But a general suspicion of centralized power has been a recurrent theme in American political thought, well established long before Patrick Henry and the Anti-federalists opposed the ratification of the Constitution for fear it would lead to undue centralization.

Our nation's first 200 years saw a seemingly irreversible consolidation of power at the federal level, proceeding by fits and starts, but always proceeding. Before the 1860s—some would say before the 1930s—we didn't have much of a central government, at least by modern standards. But today, the fears of the Anti-federalists have been realized to a greater extent than they could have imagined.

Corresponding to this political centralization, both as cause and effect, has been a long-gathering increase in national sentiment. Shelby Foote points out that before the Civil War the phrase the United States took a plural verb; for many antebellum Americans (and not just Southerners) their "country" was effectively their state. But the struggle to ostensibly preserve the Union in fact largely created one—certainly it created an overarching national identity quite different from what had existed before.

American nationalism flourished in the later nineteenth century, peaking in the 1890s when even ex-Confederates and their children donned blue uniforms and went off to pursue America's imperial destiny overseas. A popular song of 1898 chortled that

> Old Virginia's heart is happy,
> And the Southlands fill'd with glee—
> They are goin' to march to Cuba
> Under Major General Lee!

(That was Fitzhugh Lee, Robert's nephew.)

Notice the words of that song. Southerners' renewed American patriotism did not make their sectional loyalties obsolete; in fact, those lower-level attachments largely reinforced the higher, as they normally do. In 1898 and again during World War I, Southern boys were fighting (as another Tin Pan Alley song put it) "For Dixie and Uncle Sam."

For almost a century, the compromise that allowed citizens to define themselves both as Americans and as partisans of a particular region served the purpose of national unity reasonably well. To be sure, sectional antagonism did occasionally surface. In 1930, for example, 12 Southerners, most of them associated with Vanderbilt University, published a manifesto called *I'll Take My Stand*, which one of them, Frank Owsley, characterized as a protest against the North's "brazen and contemptuous treatment" of the South "as a colony and as a conquered province." A couple of the contributors went on to propose Kennanesque constitutional revisions, granting greater autonomy to the regions, and Donald Davidson warned that something of the sort was necessary if the United States was to endure. He imagined some future historian lecturing on the 1930s, saying, "At this point regional differences passed beyond the possibility of adjustment under the Federal system, and here, therefore, began the dismemberment of the United States, long since foreshadowed in the struggles of the 1860s."

But *I'll Take My Stand* was an aberration, of interest today mostly because several of the young contributors went on to become distinguished men of letters. The separatist impulse was never widespread, and it was eventually overwhelmed by the apparent need for national mobilization to address the economic distress of the Great Depression, then the dangers of the Second World War, and finally the semi-permanent pressures of the Cold War. The need for Americans to pull together kept sectionalism in line; regional identities were seen as, at most, colorful variations on a basic Americanism.

As one of America's oldest regions, historically its most distinctive, and undeniably its most obstreperous, the South has often taken the lead in defending regional distinctions. (It has also done more than any other region to bring states' rights into disrepute, by linking that doctrine to propositions that were not just morally indefensible but politically doomed.) When New Englanders found themselves being dragged into wars with England or Mexico, or obliged to abide by a federal fugitive slave law, even they could sound like separatists. But after Appomattox established who was to run the American show, it was particularly Southerners who were seen, and saw themselves, as "different" from other Americans.

It seems that the tables may now be turning. The shift in the regional balance of power that political analyst Kevin Phillips applauded back in 1969 in *The Emerging Republican Majority*, and which left-wing intellectual Kirkpatrick Sale deplored in his 1975 book *Power Shift: The Rise of the Southern Rim and Its Challenge to the Eastern Establishment*, continues apace. In *Dixie Rising: How the South Is Shaping American Values, Politics, and Culture* (1996), journalist Peter Applebome even claims that Southern dominance is beginning to extend to the cultural sphere. Things have reached the point where James Cobb, the current president of the Southern Historical Association, wonders whether Southern identity will survive: What happens to a self-image largely based on grievance, he asks, when there's not much left to complain about?

But while polls show that support for Southern independence only registers in the high single digits these days, Southern identification of a less political sort is a good deal commoner. Nearly a third of self-identified Southerners say that being Southern is "very important" to them, and another third say it is "somewhat important." This regional attachment exists across racial lines.

And in other American regions, distinctive identities that have been dormant for most of this century may actually be

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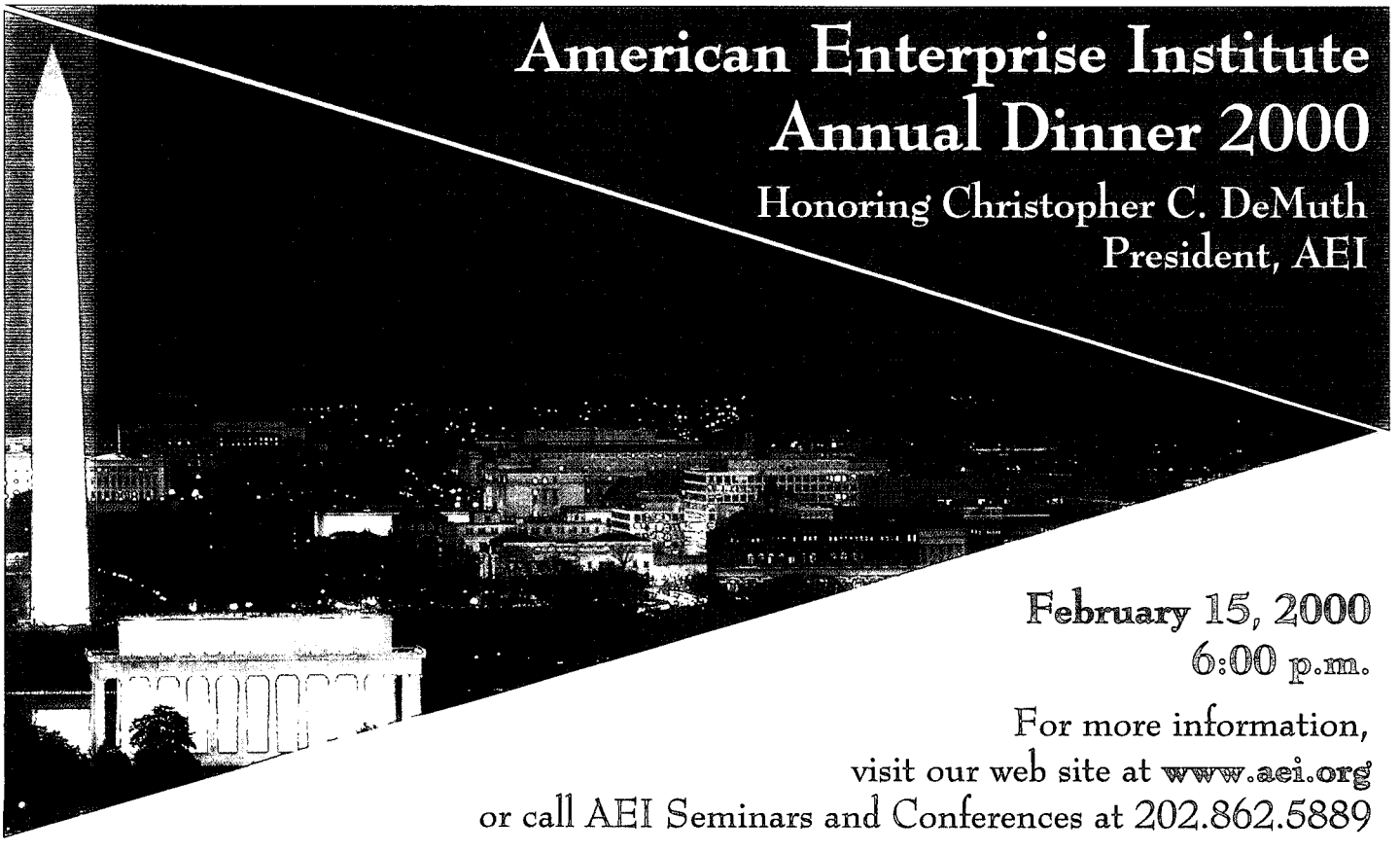
firming up and springing into new importance. In *The Nine Nations of North America*, journalist Joel Garreau observes that an increasing amount of the national action is now taking place at a regional rather than national level. He identifies entities like "MexAmerica" (the Southwest), "Ecotopia" (the Pacific Northwest), and "the Breadbasket" (the Plains states) as having important qualities that bind them together and set them apart from other areas. The boundaries of these diverse (in some ways increasingly diverse) regions don't correspond well to state (or even national) borders. But anyone who doubts their existence must lead a very sheltered life.

Is this return of American regionalism linked to George Kennan's observation that the United States has grown so big it *has* to devolve into more local subsets? As Kennan observed, a centralized government is virtually incapable of responding flexibly and creatively to hundreds of millions of widely varying inhabitants. Central laws and regulations by their nature treat citizens as interchangeable units, the same in New Mexico, Oregon, Nebraska, and West Virginia. Whether run by Democrats or Republicans, subject only to the half-hearted restraint of the federal judiciary, centralized rule tends to make everything from cable television rates to the color of schoolbuses into literally a federal case. Then national government is perceived as arrogant, out of touch, and intrusive. The heretofore "Southern" experience of seeing the institutions of government, commerce, and culture in alien hands is thus growing increasingly widespread.

At the same time, paradoxically, economic and political globalization may be increasing the significance of regional and other subnational loyalties, if only by reducing the importance and even the legitimacy of the nation-state. Each year, off-shore and multinational and cyber businesses render national economies less relevant and national authorities more frantic. It's not coincidence that the rise of "Europe" has corresponded with the revitalization of Scottish, Catalan, Lombard, and a half-dozen other autonomist movements.

In the American case, the collapse of Soviet Communism has removed a powerful external adhesive, and it remains to be seen what, if anything, will replace it. The "New World Order" is a concept that only a banker could love and only a mercenary would fight for. And if we're not to rally around the Stars and Stripes, most normal Americans will find various subnational attachments much more plausible than loyalty to some transnational alphabet organization.

So far, regionalist sentiments and interests have received only muted expression in American politics. But I sometimes wonder whether we're about to see a resurgence of sectionalism. If we do, it won't be just Southern this time.



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Hayek Rings the Alarm Against Central Planning

Some books change history. The Road to Serfdom *by Friedrich Hayek is one. It was written by the Austrian-born economist during World War II, while he was teaching in England, because he feared that the then-growing popularity of central planning could lead to a loss of liberty in many countries. Dedicating his work tongue-in-cheek to "Socialists of All Parties," he expected to reach only a few elite opinionmakers, but the book ignited a firestorm and sold out within days. The BBC declared it "should be read by everybody," and even left-of-center thinkers like John Maynard Keynes and George Orwell reacted respectfully.*

The book was published a few months later in America, after first being turned down by three American publishers (one called it "unfit for publication by a reputable house"). Again sparking an immediate controversy, it sold thousands of copies, including 600,000 of a famous condensed version published by Reader's Digest.

As we reach the century's end, millions of copies of the book have been sold in 20 different editions, leading one commentator to observe that "no economist before or since...has ever reached such a worldwide audience." On his recent visit to the U.S., even Chinese Premier Zhu Rongji took to quoting Hayek.

In 1974 Hayek was awarded the Nobel Prize for economics. We excerpt here from the landmark Reader's Digest *version of his book.*

In the democracies at present most of the people whose views influence developments are in some measure socialists. They believe that we should substitute "economic planning" for the competitive system.

In order to achieve their ends, the planners must create power—power over men wielded by other men—of a magnitude never before known. Democracy is an obstacle to this suppression of freedom which the centralized direction of economic activity requires. Hence arises the clash between planning and democracy.

It is entirely fallacious to argue that the great power exercised by a central planning board would be "no greater than the power collectively exercised by private boards of directors." There is, in a competitive society, nobody who can exercise even a fraction of the power which a socialist planning board would possess. To decentralize power is to reduce the absolute amount of power, and the competitive system is the only system designed to minimize the power exercised by man over man. Who can seriously doubt that the power which a millionaire, who may be my employer, has over me is very much less than that which the smallest bureaucrat possesses who wields the coercive power of the state and on whose discretion it depends how I am allowed to live and work?

THE MORE THE *STATE* "PLANS," THE MORE DIFFICULT PLANNING BECOMES FOR THE INDIVIDUAL.

Our generation has forgotten that the system of private property is the most important guaranty of freedom. It is only because the control of the means of production is divided among many people acting independently that we as individuals can decide what to do with ourselves. When all the means of production are vested in a single hand, whether it be nominally that of "society" as a whole or that of a dictator, whoever exercises this control has complete power over us. In the hands of private individuals, what is called economic power can be an instrument of coercion, but it is never control over the whole life of a person. But when economic power is centralized as an instrument of political power it creates a degree of dependence scarcely distinguishable from slavery. It has been well said that, in a country where the sole employer is the state, opposition means death by slow starvation.

* * *

Nothing distinguishes more clearly a free country from a country under arbitrary government than the observance in the former of the great principles known as the Rule of Law. Stripped of technicalities, this means that government in all its actions is bound by rules fixed and announced beforehand—rules that make it possible to foresee with fair certainty how the authority will use its coercive powers in given circumstances and to plan one's individual affairs on the basis of this knowledge.

Socialist economic planning necessarily involves the very opposite of this. The planning authority cannot tie itself down in advance to general rules which prevent arbitrariness.

When the government has to decide how many pigs are to be raised or how many buses are to run, which coal mines are to operate, or at what prices shoes

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are to be sold, these decisions cannot be settled for long periods in advance. They depend inevitably on the circumstances of the moment, and in making such decisions it will always be necessary to balance, one against the other, the interests of various persons and groups.

In the end somebody's views will have to decide whose interests are more important, and these views must become part of the law of the land. Hence the familiar fact that the more the state "plans," the more difficult planning becomes for the individual.

The difference between the two kinds of rules is important. It is the same as that between providing signposts and commanding people which road to take.

* * *

One argument frequently heard is that the complexity of modern civilization creates new problems with which we cannot hope to deal effectively except by central planning. This argument is based on a complete misapprehension of the working of competition. The very complexity of modern conditions makes competition the *only* method by which a coordination of affairs can be adequately achieved.

There would be no difficulty about efficient control or planning were conditions so simple that a single person or board could effectively survey all the facts. But as the factors which have to be taken into account become numerous and complex, no one center can keep track of them. The constantly changing conditions of demand and supply of different commodities can never be fully known, or quickly enough disseminated by any one center.

Under competition—and under no other economic order—the price system automatically records all the relevant data. Entrepreneurs, by watching the movement of comparatively few prices, as an engineer watches a few dials, can adjust their activities to those of their fellows.

Compared with this method of solving the economic problem—by decentralization plus automatic coordination through the price system—the method of central direction is incredibly clumsy, primitive, and limited in scope. It is no exaggeration to say that if we had had to rely on central planning for the growth of our industrial system, it would never have reached the degree of differentiation and flexibility it has attained. Modern civilization has been possible precisely because it did not have to be consciously created. The division of labor has gone far beyond what could have been planned.

It is also argued that technological changes have made competition impossible in a constantly increasing number of fields and that our only choice is between control of production by private monopolies and direction by the government. The growth of monopoly, however, seems not so much a necessary consequence of the advance of technology as the result of policies pursued in most countries.

THE COMPETITIVE SYSTEM IS THE ONLY SYSTEM DESIGNED TO MINIMIZE THE POWER EXERCISED BY MAN OVER MAN.

Anyone who has observed how aspiring monopolists regularly seek the assistance of the state to make their control effective can have little doubt that there is nothing inevitable about this development. In the United States a highly protectionist policy aided the growth of monopolies. In Germany the growth of cartels has since 1878 been systematically fostered by deliberate policy. It was here that, with the help of the state, the first great experiment in "scientific planning" and "conscious organization of industry" led to the creation of giant monopolies. The suppression of competition was a matter of deliberate policy in Germany, undertaken in the service of an ideal which we now call planning.

* * *

It is rarely remembered now that socialism in its beginnings was frankly authoritarian. It began quite openly as a reaction against the liberalism of the French Revolution. The French writers who laid its foundation had no doubt that their ideas could be put into practice only by a strong dictatorial government. The first of modern planners, Saint-Simon, predicted that those who did not obey his proposed planning boards would be "treated as cattle."

* * *

Most planners who have seriously considered the practical aspects of their task have little doubt that a directed economy must be run on dictatorial lines, that the complex system of interrelated activities must be directed by staffs of experts, with ultimate power in the hands of a commander-in-chief whose actions must not be fettered by democratic procedure. The consolation our planners offer us is that this authoritarian direction will apply "only" to economic matters. This assurance is usually accompanied by the suggestion that, by giving up freedom in the less important aspects of our lives, we shall obtain freedom in the pursuit of higher values. On this ground people who abhor the idea of a political dictatorship often clamor for a dictator in the economic field.

Unfortunately, purely economic ends cannot be separated from the other ends of life. What is misleadingly called the "economic motive" means merely the desire for general opportunity. If we strive for money, it is because money offers us the widest choice in enjoying the fruits of our efforts—once earned we are free to spend the money as we wish.

Our freedom of choice in a competitive society rests on the fact that, if one person refuses to satisfy our wishes, we can turn to another. But if we face a monopolist we are at his mercy. And an authority directing the whole economic system would be the most powerful monopolist imaginable.

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the European Economist

A Red-tape Curtain Descends Across Europe

By Kevin A. Hassett

On March 5, 1946, Winston Churchill warned a crowd of listeners gathered in Fulton, Missouri, that an Iron Curtain had descended across the continent of Europe. Churchill recognized that the radical philosophical differences between the Soviet Union and the West, which had been ignored during their Second World War alliance, were about to become the primary force in international development.

Today, the Cold War is won, yet new ideological conflicts are appearing. A so-called "Third Way" politics has grown up in parts of the West, giving increased traction to socialist ideas. This new lease on life for statism may threaten peace and prosperity in many parts of the globe over the next century. Already, a "Red-tape Curtain" has descended across Europe. The danger this presents is real, and only beginning to be recognized.

Last May, I attended a policy conference at a French chateau where European and American economists exchanged views about the future of Europe. The Americans generally argued that Europeans would have little hope of economic success if they failed to face the fact that giant socialist governments were strangling their economies. The Europeans, on the other hand, were optimistic that currency union and the movement toward a more centralized transnational government would be revitalizing. Their earlier experiments in big government had failed, they suggested, only because national boundaries kept the government from getting big enough to rule efficiently. That view is emblematic of the fundamental problem with European economic thinking today: They still don't understand why we won the Cold War.

And the consequences are getting serious. Western Europe has grown almost a percentage point a year slower than the United States for the last decade. Over this same time period, the European working class has suffered enormous hardship. Unemployment rates have consistently been in the double digits, while the number of early retirees and discouraged workers—who are not counted in the employment statistics—has skyrocketed. In France in 1998, for example, only 21 percent of individuals between the ages of 15 and 24 were employed (compared to 59 percent in the U.S.). Only 33 percent of individuals above 54 were employed (58 percent in the U.S.). Even in the core working years of 25 to 54, only 77 percent of French citizens are employed (81percent in the U.S.).

The source of this economic calamity is the fact that European governments and labor unions have taxed and regulated their economies into a death spiral. In France, for example, the most basic firing decisions are usually subject to bureaucratic review. That's enough to scare any employer away from creating a job in the first place. And if you do hire someone you will have to pay a high minimum wage and an enormous payroll tax.

Contempt for economic freedom affects every corner of society. Three years ago, the French government decided that INSEAD, the American-style business school that introduced the MBA to Europe, was a for-profit institute rather than an educational one and began to tax its tuition receipts as revenue. To the French government, the pursuit of an MBA is not an adequately scholarly endeavor.

The French response to their massive unemployment is sadly typical of socialist thinking. They are spending more than 3 percent of their entire gross domestic product on employment programs and subsidies—about *eight times* as much as we spend in the U.S.

The European hostility to free-market principles rivals that of the Soviets. And the results are much the same. Small wonder then that it is so difficult to find a job on the Continent.

Is there hope that Western Europe will change? Not much. The Europeans have simply chosen to ignore evidence that the socialist economic model has failed. Way back in June 1987, Ronald Reagan stood before the Berlin Wall and summarized the economic lesson of the Cold War. The notion that a centrally planned economy could outperform a free market one had, Reagan stated, been repudiated by the facts: "In the 1950s, Khrushchev predicted, 'We will bury you.' But in the West today, we see a free world that has achieved a level of prosperity and well-being unprecedented in all human history. In the Communist world, we see failure. Technological backwardness. Declining standards of health.... After these four decades, then, there stands before the entire world one great and inescapable conclusion. Freedom leads to prosperity."

But the Europeans are famous for their disdain of Reagan and continue to this day to practice their own forms of heavy regulation and government intervention. Just recently, an OECD employment report issued from Paris insisted that heavy governmental regulation has no discernible economic impact. The report was ballyhooed throughout Europe as proof that the American way of organizing an economy is just one of a number of effective alternatives.

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It is hard to see where a shift in this climate will come from. Belief in the statist approach has been an integral part of European economic policy for as far back as economic historians can peer. Observing the Continent's economic regulations from the British Isles in 1776, Adam Smith wrote ruefully that "the obstruction which corporation laws give to the free circulation of labor is common, I believe, to every part of Europe." Even then, the futility of such meddling was apparent to many. "By the experience of above four hundred years it seems time to lay aside…strict regulations," Smith quotes Doctor Burns saying. "If all persons in the same kind of work were to receive equal wages, there would be no emulation, and no room left for industry or ingenuity."

Still, many Western Europeans are unmoved.

As we look forward to the next century, Americans should consider the likely consequences of this European intransigence. Over time, even small differences in economic growth can have large effects. If the United States had grown a percentage point slower per year over the past century, our standard of living today would be about the same as that in Mexico. Another ten years in Europe like the past ten and we will have to invent a new category of developed country—"old world" countries that clung so desperately to their "Third Way" between free markets and socialism that they just stopped growing.

And it isn't just the Western Europeans who will suffer; the cost to others may be even larger. One of today's great ironies is that many formerly Communist countries, now that they're free, are lining up to join the European Union—which requires new entrants to buy most of the Western European statist agenda in order to qualify for membership. Did we win the Cold War so Poland could become snarled in French-style socialism rather than Russian-style socialism?

If this process runs its present course, historians will likely treat the United States harshly. At just the moment when economic freedom won its most decisive victory, America's leaders abandoned Eastern Europeans to Western European statists, just as we abandoned them to the Soviet Union 54 years ago. Eastern European countries have a long history of misfortune. This time, they needed help from the U.S. at just the wrong moment, Bill Clinton and Al Gore were only too happy to allow Poland and company to be swept behind the Red-tape Curtain—because their fondest dream is to hang the same shrouds across the U.S as well.

We stand at a crossroads. If we continue along the path to the left, we'll further encourage Eastern and Western Europeans to rely on socialist economic arrangements, and all of Europe will fall farther and farther behind North American and Asian countries with freer markets. Perhaps at some point communism will again take seed in the East.

If we take the path to the right, energetically advocating free market policies, we have a good chance of recruiting Eastern European nations away from socialism. America might, for instance, offer membership in NAFTA as an incentive. Following this path, the Eastern Europeans will relatively quickly surpass their western neighbors in wealth. That shock might even be enough to shake the socialists out of government once and for all. When they leave, we can ask them to take their red tape with them.

Economist Kevin Hassett is a resident scholar at the American Enterprise Institute.

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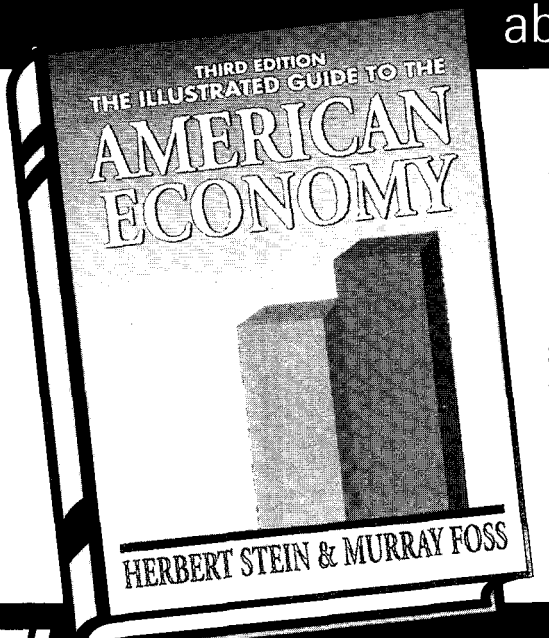

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The Monster from the GOP Lagoon

For lack of courage, the GOP Congress's tax-cutting strategy crashed on take-off this year. The $792 billion tax reduction that President Clinton vetoed last September 23 didn't deliver a dramatic, Reaganesque tomahawk chop to marginal tax rates. Instead, Republicans were as gentle as Pocahontas in promoting a 1 percent nick in each income tax rate *stretched over 10 years.*

The bill would also have killed the death tax and cut capital gains levies, but its puny centerpiece sedated the Republicans' free-market base, and sent average Americans scurrying in boredom towards their beach blankets. GOP timidity handed liberal Democrats—who will rage mechanically against all tax cuts, wimpy or potent—an easy victory. So it goes when Republicans make a dog's breakfast of their signature issue.

Alas, the GOP Congress's leading Social Security reform exudes an even more canine whiff. The so-called Archer-Shaw measure, sponsored by House Ways and Means Chairman Bill Archer (R-Texas) and Representative Clay Shaw (R-Fla.), may become the GOP's legislative vision on Social Security. Republicans should welcome it like river blindness.

Introducing his bill, Archer said, "our strong economy and historic budget surplus give us the best opportunity to act now while times are good." But rather than advance the simple, free-market goal of personally owned and invested accounts, he and Shaw built a baroque monster. "The Archer-Shaw plan maintains the current system in its entirety," a Ways and Means Committee fact sheet admits. "There is no privatization of the system at all."

Instead, Archer-Shaw creates nominally personal Social Security Guarantee Accounts for each American. The federal government will deposit in each SSGA an annual, refundable tax credit equal to 2 percent of individual income. This is capped at $1,452, or 2 percent of a top-wage earner's salary. These deposits would come from the general taxes

THE MEEK SHALL INHERIT THE EARTH, BUT THEY'RE BOUND TO LOSE ON SOCIAL SECURITY.

Americans pay atop their Social Security levies. The Cato Institute's Michael Tanner calculates Archer-Shaw would cost $2.6 trillion more by 2034 than would today's system, thus hiking federal spending by $74.3 billion annually.

Account holders would invest their money in 50 federally approved portfolios with a required mixture of 60 percent stocks and 40 percent bonds. Risk-averse investors should be free to choose such funds, but such financial conservatism should not be imposed from on high.

Upon retirement, each retiree's SSGA assets would be nationalized. The funds would then finance annuity payments equal to the benefits Social Security otherwise promises. The individual worker would not have any real ownership or control of the money at all.

The only way Americans could enjoy the accrued assets in their accounts would be to die before age 65 and bequeath their wealth to their heirs before Washington swiped it.

Archer-Shaw would not recognize account holders' property rights to their assets. This money would belong to Uncle Sam.

Heritage Foundation analyst Dan Mitchell describes Archer-Shaw as "far worse than anything President Clinton has proposed." He specifically decries the plan's de facto 100 percent tax on accumulated pension assets.

Republicans have no business standing to Bill Clinton's left on Social Security. Since Democrats and their allies will machine-gun any GOP reform plan, Republicans might as well give them something worth targeting. They should offer Americans exactly what numerous polls show they want–the option to invest their FICA taxes privately. The same President who embraced welfare reform might sign such a measure if he really wants to be thought of as something other than a giant zipper with access to atomic weapons. And if he whips out his veto pen, Republicans will have a crystal-clear issue on which to run and win in 2000.

One hopes the GOP will be brave enough to approve privately controlled personal retirement accounts. The Archer-Shaw alternative has all the strength and appeal of a thrice-steeped tea bag. The meek shall inherit the Earth, but they're bound to lose on Social Security.

—Deroy Murdock

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Flashback

TO KNOW NOTHING OF WHAT HAPPENED BEFORE YOU WERE BORN IS TO REMAIN EVER A CHILD—*Cicero*

JFK, Frank Lloyd Wright, and Gerald Ford Did What?

Pat Buchanan's praise of the America First Committee (AFC) of 1940-41, whose 800,000 members made it the largest antiwar organization in American history, has won him the sort of press usually reserved for the grislier serial killers. The AFC's platform stated that while "The United States must build an impregnable defense for America… American democracy can be preserved only by keeping out of the European war." But just who were these America Firsters who names today are filthier than mud?

◦ Harvard student John F. Kennedy mailed the AFC $100 with a note that read, "what you are all doing is vital." His big brother Joe organized the Harvard Committee Against Military Intervention. Future Kennedy brother-in-law Sargent Shriver, who became director of the Peace Corps and George McGovern's running mate, was active in the AFC-allied youth group College Men for Defense First, as was actor José Ferrer.

◦ Another President, Gerald R. Ford, was among the earliest organizers of America First, but he resigned because he feared that his political activities might cost him his position as assistant football coach at Yale.

◦ Novelist Sinclair Lewis was a card-carrying America Firster and one of many literary men (William Saroyan, John Dos Passos, Edmund Wilson, Robinson Jeffers) opposed to the war. Poet e.e. cummings, who despised Roosevelt (as did most American poets of the 1930s), dubbing him "Herr Roosevelt, Lord of the New Dealings," was so ardent an America Firster that he overcame his detestation of radio to visit a neighbor's house to listen to Charles Lindbergh on the noisebox.

• Student Gore Vidal led the America First Committee at Phillips Exeter Academy.

• Teddy Roosevelt's wickedly witty daughter Alice Roosevelt Longworth ("If you haven't got anything good to say about anyone, come and sit by me.") was on the national AFC board, from which she dispensed acid wisecracks about her cousin the President. ("When I think of Franklin and Eleanor in the White House, I could grind my teeth to powder and blow them out my nose.")

MIDWESTERN BUSINESSMEN WERE THE BACKBONE OF THE AMERICA FIRST COMMITTEE.

• Actress Lillian Gish was a member of the AFC national committee. As a result she found it impossible to find work in pro-war Hollywood, though none dared call it blacklisting. Her agent finally secured a $65,000 role for her, on the condition that she resign from the AFC. She did.

• Architect Frank Lloyd Wright donated money to the AFC but was kept off the national board because "he has quite a reputation for immorality," as one staffer wrote primly.

• Midwestern businessmen were the backbone of the America First Committee. They included Jay C. Hormel (Hormel Meat Packing Co.), Sterling Morton (Morton Salt), R. Douglas Stuart (Quaker Oats), General Robert E. Wood (chairman of the board of Sears Roebuck), William H. Regnery (Western Shade Cloth Co.), and Edward L. Ryerson Jr. (Inland Steel Corp.). Henry Ford was a board member for two months, until the complaints of Jewish AFC members caused the board to drop Ford, who in the 1920s had published the notorious anti-Semitic hoax the *Protocols of the Elders of Zion*. According to Wayne S. Cole, the leading historian of the AFC, the group assiduously excluded pro-fascists and anti-Semites, including the followers of the popular radio priest Father Charles Coughlin. ("We don't want you people," General Wood told the Coughlinites point-blank.)

• Advertising man Chester Bowles, later a key Kennedy foreign-policy advisor, was an AFC national committeeman, a fact he somehow forgot to mention in his autobiography and in his various Senate confirmation hearings.

• Green Bay Packers coach Vince Lombardi's wife Marie was an America Firster (Vince, naturally, was an interventionist).

• The America First movement spanned both Right and Left. Leftists and old liberals who joined the AFC or spoke under its auspices included *Nation* editor Oswald Garrison Villard, historian Charles Beard, Norman Thomas, Montana Senator Burton K. Wheeler, and various members of the royal family of Progressivism, the LaFollettes of Wisconsin.

• America Firsters predicted that the domestic consequences of the war would prove disastrous for their America. But even the most pessimistic never dreamed that at century's end, a politician who defended the AFC would be called a nut, a crackpot, and a Hitler-lover by journalists who might be advised to tear themselves away from the TV set for a few minutes each night so that they can read about people and movements before they slander them.

—Bill Kauffman

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The Untold Waco Story

Video image from *Waco: A New Revelation.*

AP Photo/MGA Films

Michael McNulty proves you don't have to live in Beverly Hills to be nominated for an Academy Award.

From Fort Collins, Colorado (pop. 12,500), McNulty has captured entertainment accolades, set the agenda for major news organizations, and stirred up the political class back in Washington.

At a packed November screening, McNulty, 53, unveiled only the second film he has ever made, *Waco: A New Revelation*, a two-hour documentary about the horrible events of April 19, 1993, when FBI agents led a fatal assault against the Branch Davidians in Waco, Texas. (www.waco-anewrevelation.com)

The film, which will premiere at the Sundance Film Festival in January, is presented in a traditional documentary format but is nevertheless extraordinary in the haunting way it chronicles the events leading up to the fiery deaths of 76 Branch Davidian church members, many of whom were children.

In some ways, this is a sequel to McNulty's 1997 film, *Waco: The Rules of Engagement*, which told the history of the Branch Davidians and the story of the siege. In addition to being nominated for an Oscar, the first picture won the International Documentary Association Film of the Year Award and rave reviews from critics, including a "two thumbs up" from Siskel and Ebert. McNulty, a former Navy man in Vietnam who until these films had made his living as an insurance salesman, saw this response as confirmation he had found his calling. "I figured it might be a good time to consider this as a full-time career," he told *TAE*.

So what caused this past-middle-age family man to drop everything for a new vocation? Partly it was forced on him: The insurance company he represented left California, where he then lived, because the business climate had become so highly regulated and litigious. With time on his hands "I began investigating Waco."

McNulty, though, doesn't brook anti-government extremists. He is the one whose close scrutiny of footage obtained from CBS News destroyed the theory that the tank charging the Davidian building had a flame-thrower on its chassis: McNulty determined reflected sunlight caused what appeared to be flames.

He still remembers being at home the morning of the fatal conflagration, watching CNN while getting ready for work. "It drug on until noon, and all of a sudden fire broke out. No one had come out. There were still people inside. It was very troubling."

It meant more to McNulty in part because he knows the history of his Mormon faith. In 1837, Missouri issued an "extermination order" against Mormons which said any who remained in the state would be executed on sight. "In a little village called Hauns Mill in the northern part of the state, the militia rode in, herded Mormons into the grist mill, closed the doors, put the muzzles of their muskets between the logs, and fired inside until everyone was wounded or dead. I think there were 25 who were shot to death," he says. "Branch Davidians weren't Mormons, but they were a contending group of American religionists."

Even before his first documentary was released, McNulty knew there was more to the story than had been reported. Last year, he wrote to Attorney General Janet Reno with documentation about a pyrotechnic gas canister found in the ashes, asking about its origin. She refused to answer, maintaining her six-year denial that such munitions were ever used.

Last August, as McNulty was sitting at the editing machine to put together *Waco: A New Revelation*, word got out about his findings, and the issue of Waco erupted again. The FBI finally confessed to firing incendiary cartridges at the Davidians, an admission that caused an embarrassed Reno to appoint former Senator John Danforth as special counsel to investigate the matter. Evidence that at least one FBI agent fired shots at the Davidians also surfaced this fall, a scenario again at odds with the Justice Department's story. Revelations in the new film include the identities of shooters and the existence of more pyrotechnic projectiles and flash-bang devices.

McNulty's success with the Waco films is as much an indictment of the major media as of the Clinton administration. Why weren't the *New York Times*, *Washington Post*, and Dan Rather chasing Pulitzers in the charred remains of Mount Carmel?

One telling moment came just a few months ago. McNulty was appearing on "ABC News Nightline," when Ted Koppel and Co. insinuated he was another Waco conspiracy theorist. Peeved, McNulty told Koppel he preferred to be identified as an investigative journalist and that he was in head-to-head competition with "Nightline" for an Emmy in Best Investigative Journalism.

For whatever reason, ABC never aired the taped "Nightline" with McNulty. But one week later, Michael McNulty was clearing off space on his mantle for his new Emmy statue.

—John Meroney

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Beat the Press

THE HAND THAT RULES THE PRESS...RULES THE COUNTRY—*Judge Learned Hand*

Why Can Gadflies Only Flit Left?

I'm thinking of a journalist who works alone, without editors, accountable to no one. Many feel he has an ax to grind, but he is read furtively by government workers and journalists. Often, he levels wild accusations against public officials of broad conspiracies he cannot prove. He lifts much of his material from other publications and adds his own interpretation. He calls the mainstream press "collaborationists" with the President.

Can you guess? Most people today would say Matt Drudge, the Internet columnist. But Drudge evokes nothing but scorn from the establishment press, while the guy I'm thinking of was called a "journalist's journalist" by ABC's Peter Jennings. The *Los Angeles Times* hailed him as "the conscience of investigative journalism." The *New York Times*' Anthony Lewis praised him as "the reporter who taught us to penetrate the squid-ink of official truth."

His name was I.F. Stone (1907-1989), and he won fame editing, writing, and publishing *I.F. Stone's Weekly.* Unlike Drudge, Stone was a man of the Left, labeling himself a "Jeffersonian Marxist."

Politics wasn't the only difference between the two gadflies. Stone was a scholarly man who at the end of his life taught himself Greek. Drudge (whom I know) would be the first to admit his ambitions lie elsewhere. That said, the journalistic methods and products of the two men are in many ways strikingly similar.

So why is Stone considered a brave iconoclast by the Dan Rathers of the world, while Drudge is treated like something Rather might accidentally step in on the New York sidewalks outside CBS headquarters? The editor of the *Columbia Journalism Review* has sneered, "Drudge isn't a reporter; he's your next-door neighbor gossiping over the electronic fence." The judge in a lawsuit filed against Drudge called him "simply a purveyor of gossip," and stripped him of the normal libel protections journalists enjoy.

Drudge, who works without editors or a slate of operating rules, sometimes gets facts and stories wrong. He himself has estimated that perhaps 80 percent of the scoops he presents will eventually check out. His role is to be there first, and to break the story everyone else is afraid of. He frankly rationalizes his occasional inaccuracies as the price of that service.

What liberals who are fans of Stone and enemies of Drudge refuse to admit is that the two men operated in much the same way. Drudge, they complain does little traditional reporting, working instead largely from newspaper, magazine, and government documents collected over the Web. But Stone also did little reporting. As *Washington Post* columnist Richard Cohen effuses, "he worked exclusively from the public record—newspapers, magazines and, of course, obscure government documents that only he seemed to read."

In the eyes of elite journalists this kept Stone pure. "He was never part of the political-journalistic establishment," Anthony Lewis gushed. But when it comes to Drudge—who could starve to death trying to find the Senate lunchroom—Michael Kinsley writes in *Time*, "Let's not give Drudge too much credit. Though he thumbs his nose at traditional news outlets, they supply most of his information."

Stone's staunchest defenders admit, nay, applaud that he did not believe in objectivity. Stone had a point of view—that America was evil. His *Hidden History of the Korean War,* for example, claimed our military industrial complex started the war and used unsavory methods to wage it. The left-leaning *New Republic* called the book utterly "implausible," a "phantasmagoric account."

Recently, allegations have surfaced that Stone was a Soviet agent; his soft spot for Stalin is indisputable. An opponent of secrecy and lies by the U.S. government, Stone happily imbibed Soviet propaganda. During the show trials and purges in the 1930s he wrote soothingly that "Revolutions do not take place according to Emily Post." Besides, "perhaps, as Stalin contends, a vast counterrevolutionary conspiracy has been uncovered. We don't know." Later, Stone moved his allegiances to China, North Vietnam, and Cuba—presumably Jeffersonian republics all.

This raises the most interesting difference between Stone and Drudge. Stone got huge things wrong, while Drudge gets a lot of little things wrong. With all his fastidious scholarship, Stone often produced monstrous lies. Drudge, on the other hand, works fast and sloppy but aims for simple truths—gossipy, interesting, often prurient or trivial but sometimes deadly serious, with little ideology mixed in.

That journalist big-wigs are horrified by Drudge and in awe of Stone says something interesting about their psyches. Few people are more professionally pompous than highly paid journalists. They regularly put on make-up and read cue cards for a living, yet want to think of themselves as bold crusaders. They wish they could throw away their hairspray and join Stone in, as Jennings put it, the "fight for justice."

Matt Drudge, a former shop clerk, owes his large popularity to a more honest credo: If people want to know something, it's news. That same rule is what keeps Jennings *et al.* on the air. But they're too ashamed to admit it.

—Jonah Goldberg

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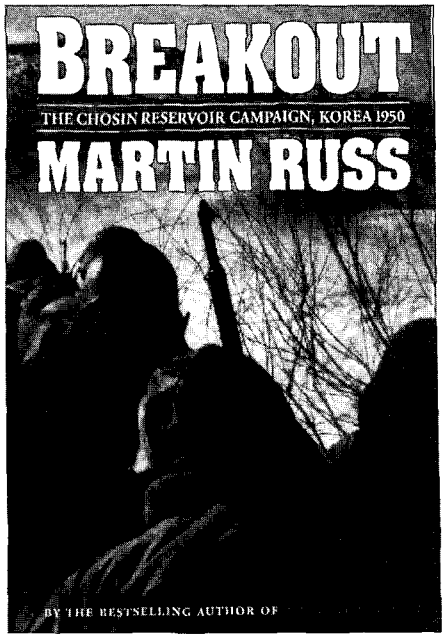
BookTalk



UNCOMMON VALOR

By Christopher Check

Breakout: The Chosin Reservoir Campaign, Korea 1950
By Martin Russ
Fromm, 464 pages, $26

"Courage is not common," wrote Lord Moran in *The Anatomy of Courage.* Martin Russ, USMC, Korean War combat veteran, teaches the same lesson. In *Breakout: The Chosin Reservoir Campaign, Korea 1950*, rare valor is displayed by the men of the First Marine Division, who exhibit courage, endurance, resourcefulness, and sheer strength of will at levels that are anything but common, even among fighting men.

Russ's thoroughly researched narrative, crafted largely from firsthand accounts by survivors of the Frozen Chosin, makes painfully clear what exceptional men are capable of under extreme adversity. These Marines were outnumbered five to one, their units cut off from one another and completely trapped, "We've been looking for the enemy for some time now. We've finally found him. We're surrounded. That simplifies things." said Marine officer "Chesty" Puller. Night after night, they fought off the Chinese, whose "waves were endless, like surf lapping on a beach."

The Chinese were not even supposed to be in North Korea: General MacArthur had informed Truman, "We are no longer fearful of their [China's] intervention." But the Chinese were not all the Marines were up against. Nighttime temperatures of 30 below meant "Marines were forced to operate their half-frozen automatic weapons one round at a time, and they often had to pry the ice-covered spoons from their grenades before throwing them." They were also plagued by howitzers slow to recoil, short mortar rounds, frozen morphine ("We tried to save the morphine for Marines hit in the chest or the gut. You had to hold the syrettes in your mouth to keep them thawed out."), diarrhea and dysentery from frozen C-rations, and close to 6,000 cases of severe frostbite. With the cold came gale-force winds ("the Siberian Express"), snow, and the steep mountains and rocky terrain of North Korea.

Against these odds, the Marines broke through the Chinese lines and attacked in the other direction, retreating with their equipment, their wounded, and their dead through a 60-mile gauntlet back to the sea. There were 700 dead Marines—and 25,000 dead Chinese. "No more gallant men fought the battles of our country in any of its wars," wrote Army General Edward Almond, Commanding General, X Corps, whose recklessness largely caused the Marines' predicament.

Almond must have written those words with some reluctance, given the particularly miserable performance of the U.S. Army forces in the same sector. In true Marine Corps fashion, but with much justification, Russ cuts the Army no slack. The "doggies" abandoned much of their equipment and ammunition, their dead, even some of their wounded as they chaotically fled the Chinese. Russ holds up the Army's disorganization and lack of will in direct contrast to the Marines' efficiency, drive, and *esprit.*

Russ's story reveals the high quality leadership embodied in the Marine officers, especially the rare presence of mind radiated by the company-grade officers who kept their men inspired at the very worst moments. For example, during the night defense of Hill 1282, Lieutenant John Yancey was "hit twice, but still at it…stalking back and forth yelling and spitting blood, shouting through a blood clogged throat: 'Gung ho, Marines!'" Navy corpsman James Claypool recalls trying "to stop him and treat his wounds, but he was too busy moving 'the kids' to the best spots to keep the Chinese from overwhelming us. No one wanted to argue with Yancey, and none of us wanted to stay on that damn hill without him being there too." Moments later a

> Chinese soldier about 20 yards away fired a burst in Yancey's direction, and one of the rounds hit him under the right eye jarring the eyeball loose from its socket and knocking him over. With his left eye Yancey saw the soldier crouch down and jam another magazine in his weapon. Yancey groped around for the carbine, and, not finding it, took the .45 from under his armpit and pumped two rounds into the soldier. Then, as carefully as he could, Yancey removed his gloves and pushed the eye back where it belonged. "It was like pushing a hard boiled egg into a knothole, but it went in and it stayed there."

Uncommon, indeed.

Christopher Check is executive vice president of the Rockford Institute. He served for six years as a Marine Corps officer.

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BEER, BIKINIS, AND BARRY

By Martin Morse Wooster

Cadres for Conservatism:
Young Americans for Freedom and the Rise of the Contemporary Right
By Gregory L. Schneider
New York University Press, 182 pages, $40

One thing many conservatives between the ages of 40 and 65 have in common is past membership in the Young Americans for Freedom (YAF), which helped shape two generations of the Right, including many officials in the Reagan and Bush administrations and at least two current Congressmen.

Cadres for Conservatism by Gregory Schneider, a historian at Emporia State, is the first book to tell YAF's rise and fall. Anyone interested in the history of conservatism will find this book fascinating.

There are many surprises. YAF began, for example, as a consequence of government regulation. When the Soviet satellite *Sputnik* soared in 1957, the federal government began to flood college campuses with funding for science programs. But grant recipients had to sign "loyalty oaths" saying they supported the Constitution and were not members of subversive organizations. When liberals protested these oaths, a surprising number of conservative students defended the oaths—and then found they had other things in common, including admiring Barry Goldwater. After Goldwater dropped out of the 1960 presidential campaign, these students—along with more senior conservatives like William F. Buckley Jr.—formed YAF.

From its outset, YAF was organized in a way that led to its demise. YAF's founders wanted to make sure it was not captured either by the John Birch Society or by the liberal supporters of Nelson Rockefeller. As a result YAF was very centralized, with rich rewards (high salaries, lucrative expense accounts) for officers who reached the top of the greasy pole. This meant, as Buckley wrote in 1962, that YAF always suffered from "terrible and internecine factionalism."

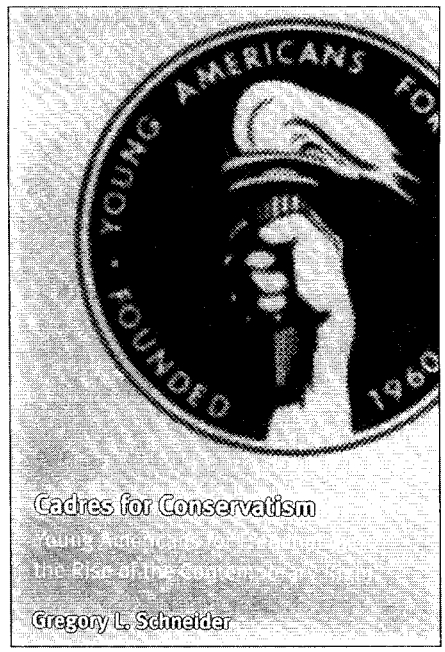
From 1960-64, YAF was influential. In 1962, it held an anti-Communist rally that packed Madison Square Garden. YAFers were extremely enthusiastic about Barry Goldwater's 1964 presidential race. The pages of *New Guard*, the YAF magazine, were filled with advertisements selling Goldwater record albums, crayons, aftershave, cologne, and soap. Buxom, bikini-clad "YAF-ettes" trolled Florida beaches, hoping to entice partying college students to the conservative cause.

But after Goldwater lost the election, YAF began to drift. A growing number of YAF chapters, particularly in California, were dominated by libertarians. This division ultimately led to the most famous moment in YAF history—the 1969 St. Louis convention. A group of libertarian factionalists, led by Karl Hess, Karl Hess Jr., and Murray Rothbard, attempted to seize control and turn YAF into a radical libertarian organization that would staunchly oppose the Vietnam War. They were decisively defeated, leading to a purge (it's not clear how many members were kicked out). But as Schneider shows, had the libertarians been less inclined to quarrel, they might have nudged YAF toward more freedom-minded goals. For example, a majority of YAFers agreed with Goldwater that the draft ought to be abolished, though by non-violent means.

But it's also clear that when the libertarians were ousted, YAF became hostile to ideas. After 1969, YAF was dominated by second-raters skilled in getting power and crushing rivals, but uninterested in changing minds. Moreover, for reasons that aren't clear, YAF was not a tax-exempt organization, ensuring it was constantly in financial trouble.

In 1982, some members of the YAF board sued their rival, national director James Lacy, accusing him of various misdeeds. Three years later, a judge sided with Lacy, calling the suit "the most sophomoric exercise I have yet been compelled to endure." But the costs of the suit, combined with YAF's failure to recruit new members, led to the organization's selling its headquarters and draining its treasury in 1986. A shell organization with chapters on a few campuses still survives.

YAF did provide many conservatives with training in politics. Direct-mail pioneer Richard Viguerie, for example, began his career with YAF. But YAF's history should be contrasted with other organizations for young right-wingers, such as the



Intercollegiate Studies Institute, the Institute for Humane Studies, and the Young America's Foundation, a nonprofit group spun off from YAF in the 1970s. These groups continue on, primarily by supplying students with books and speakers their schools won't provide. As a result, they have done more to advance the conservative and libertarian movements than YAF ever did.

The Young Americans for Freedom gave its members plenty of camaraderie but did little to fight big government or change our culture. It leaves no legacy.

A YAF member from 1978-82, associate editor Martin Morse Wooster was briefly the film critic of New Guard.

WE'LL ALWAYS HAVE PARIS

By Richard Miniter

France on the Brink: A Great Civilization Faces the New Century
By Jonathan Fenby
Arcade, 465 pages, $27.95

Intellectuals usually either love or hate France. In *France on the Brink*, Jonathan Fenby takes the wiser course—he both loves *and* hates France.

Much of what we think we know about France and, more importantly, what the

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French think they know about themselves, simply isn't true any more. Consider the unofficial emblems of French nationalism: wine, berets, and cafés.

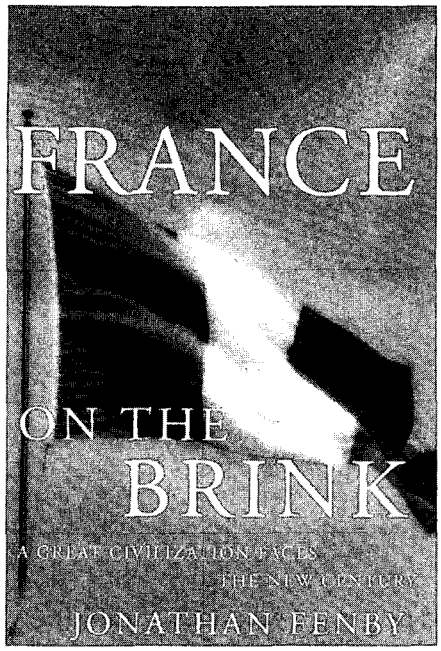
While the French still drink more wine per capita than any other nation, the number of people who drink wine every day has dropped by half since 1980. Wine consumption is falling while soft drink consumption continues to rise. Seventy percent of 14- to 25-year-olds say they never drink wine. Even former President Jacques Chirac prefers beer to wine.

When Air France put a beret atop a globe, the symbol of France was recognized worldwide. But only three beret-making factories survive in France, down from 30 in 1945.

Balzac called the café the "parliament of the people." One of the few French institutions not torn from its foundations by revolution, it is dying a slow death. The number of cafés has fallen from 510,000 in 1910, to fewer than 51,000 in 1995. Every year more than 1,500 cafés close in Paris alone.

Only France's legendary freedom for smokers remains as a hallmark from a happier time. In a crowded café in the shadow of Notre Dame, I recently asked a waiter for a cigar ashtray. The waiter, ignoring pleas from an American family at the next table wagging their hands in front of their noses, turned and said, "Monsieur, the world is your ashtray." Indeed, it was. The sidewalk was littered with butts of fine Cohibas and cheap cigarettes. Yet smokers aren't free in France because the French love liberty, but only because they loathe change. The French intuitively endorse Lord Falkland's dictum: "When it is not necessary to change, it is necessary not to change."

Which brings us to the reactionary nature of French politics at century's end. France was the cradle of communism and its watered-down cousins, fascism and socialism. While other nations struggle to throw off the shackles of these failed philosophies, France strives to save its archaic visions. The continuing appeal of the welfare state in France is best illustrated by a story Fenby cites: Former Socialist Party Prime Minister Léon Blum was released from a Nazi



prison in 1945. The first time he picked up a suit he'd taken to the cleaners, he found a handwritten note in his pocket: "Thank you for the *congés payés*," the paid holidays Blum ordered into existence in the 1930s. Thus was the entitlement mentality coaxed into existence by Blum and his chums.

The Right didn't offer a genuine alternative. De Gaulle's mother regarded Blum as an "agent of Satan." A favorite prewar slogan of de Gaulle's right-wing allies was "Better Hitler than Blum." It wasn't the cost to employers of the government-mandated holidays that offended the Right, which looked down on business anyway; it was the way paid vacations gave "cap-wearing louts" the ability to invade upper-middle-class beaches in August.

French politics has long been dominated by poisonous extremists. Consider the case of Communist Party boss Eugen Fried, a Stalinist who urged French Communists to collaborate with the Nazis after the invasion of 1940. Despite mounting evidence of Stalin's murderous excesses, Fried loyally followed every order from Moscow. Similarly, poet Louis Aragon wrote that his pain at Stalin's death equaled the sorrow he felt when his mother died. "Georges Marchais, Secretary-General of the French Communists from 1972 to 1993, was a scary remnant from the caverns of Stalinism whose outbursts provided regular occasions for national mirth," Fenby writes. "A bushy-eyebrowed, potato-headed thug whose lack of style could make him almost endearing on occasion, Marchais supported the crackdown on Solidarity in Poland and the Soviet invasions of Czechoslovakia and Afghanistan (the latter in a television interview direct from Moscow)."

Neither journalists nor government officials ever shunned Marchais for his increasingly outrageous defenses of totalitarianism. "What's a gulag?" he asked. "What we call a prison, they call a gulag." When questioned about brutality in the Soviet Union, Marchais replied, "I tell you, they didn't arrest enough! They didn't imprison enough! If they had been tougher and more vigilant, they wouldn't have gotten into the situation that they're in now."

Actually, the situation in France is now dire. France's breathtakingly bureaucratic welfare state has created the very society socialists theoretically oppose: A small, rich, educated elite rules over a morose middle class and an increasingly numerous and angry army of the unemployed. Muslim African immigrants, numbering over 3 million, resent the government that sends them lavish welfare checks and, increasingly, they look to terrorists for leadership. A handful of schools credential the elite to a degree unimaginable in the English-speaking world. The elite, shuttling between business and government, design ever more complex plans for society that never seem to succeed. Crime, joblessness, urban terrorism, and cultural decline all increase relentlessly—imagine New York City in 1977 and multiply by ten. It turns out socialism, not capitalism, is the unsustainable system.

Fenby, a left-leaning journalist, paints a picture of France on the brink of collapse and, perhaps, violent revolution. What if he is right?

Richard Miniter writes for the Wall Street Journal, The Atlantic Monthly, Reader's Digest, *and other publications.*

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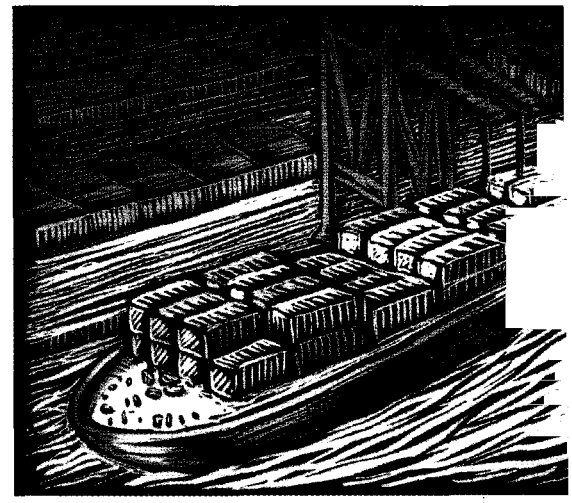
EDITED BY MARTIN MORSE WOOSTER

the Digest

SUMMARIES OF IMPORTANT NEW RESEARCH FROM THE NATION'S UNIVERSITIES, THINK TANKS, AND INVESTIGATIVE PUBLICATIONS



ECONOMICS AND BUSINESS

Unsung Shipping Revolution

Stewart Taggart, "The 20-ton Packet," in *Wired* (October 1999), 520 3rd Street, 3rd floor, San Francisco, California 94107.

The technological revolution has lowered business costs, especially shipping. In the past 20 years, observes Taggart, the cost of shipping goods between Asia and the U.S. has fallen by two-thirds. Transportation now accounts for only 1 percent of a product's cost, "making country of origin largely an afterthought in purchasing decisions."

Unloading freighters used to be a labor-intensive business that could take weeks. But North Carolina trucker Norman McLean revolutionized global shipping in 1956 by inventing a large cargo container which could be unhooked from a truck and loaded onto a ship.

Today's container ships are getting bigger and bigger. In 1966, the average ship carried 600 containers; now, 5,000-container ships are typical. Denmark's Maersk Line is launching a new 6,600-container ship every three months. Analysts think it's theoretically possible to build a 25,000-container ship.

Such giant ships strain the capacity of the biggest ports. Rotterdam, Europe's largest port, uses 50 robots to unload ships, but even though these robots can work through night and fog, they're barely able to handle a huge ship. So some firms, most notably FastShip, are building smaller vessels which can move more quickly and go to more ports. FastShip hopes that, by 2002, its fleet can move time-sensitive goods between Philadelphia and Cherbourg, France, in seven days—ten days faster than a giant ship.

Taggart argues these highly efficient container ships are the unsung heroes of global trade. Falling transportation costs, he writes, have put "downward price pressure on any internationally traded good you've bought since the mid-'70s."

SOCIETY

The Reactionary Progressives

Mary Eberstadt, "The Schools They Deserve," in *Policy Review* (October-November 1999), Heritage Foundation, 214 Massachusetts Avenue N.E., Washington, D.C. 20002.

Twentieth-century education has been a battle between traditionalists, who think schooling requires fact-based teaching and objective testing, and "progressives," who are fact-averse and test-phobic. The reigning progressive "guru," reports Eberstadt of *Policy Review*, is Harvard professor Howard Gardner.

In best-selling books Gardner theorizes that there are either eight or nine different kinds of intelligence, including "mathematical-logical," "bodily kinethestic," and "interpersonal." Each child is supposedly best at only one or two kinds; so a one-size-fits-all curriculum can't reach both a quiz show whiz and Mr. Touchdown. Therefore, a curriculum has to appeal to all eight or nine intelligences, particularly since one type mustn't be "privileged."

This relativism, Eberstadt notes, leads to "howlers." For instance, Gardner writes that "hands-on involvement" (a favorite progressive gimmick) "must be approached carefully, especially with children"—when teaching the Holocaust!

Gardner has many disciples in schools of education and expensive private schools, yet progressivism may be on the wane. Countless parents "have voted for standards and content with their feet" by fleeing to schools that offer traditional education: witness the popularity of charter schools and vouchers, not to mention America's 1.5 million home schoolers.

The success of E. D. Hirsch's Core Knowledge Foundation, which has enlisted over 400 schools in its fact-based curricula, is additional evidence of rebellion against progressivism. "A counter-culture," Eberstadt concludes, is declaring "a hundred years of progressive experimentation is enough."

Making Sense of the Census

Unkept Promise: Statistical Adjustment Fails to Eliminate Local Undercounts, as Revealed by Evaluation of Severely Undercounted Blocks from the 1990 Census Plan. CMBC 59-512. U.S. Census Monitoring Board: Congressional Members, Post Office Box 610, Suitland, Maryland 20752.

Debate continues over whether the best way to ensure an accurate count in the 2000 Census is by counting Ameri-

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cans directly (the old-fashioned way) or by using "statistical sampling" to estimate the national population mathematically. The congressional half of the U.S. Census Monitoring Board argues that "statistical sampling" will miss the undercounts that do occur and add additional people to already overcounted areas.

The researchers studied 5,170 areas counted by the Census in its 1990 post-enumeration survey, which used statistical sampling to test the Census's accuracy. They found Census statisticians made faulty adjustments. For example, the statisticians tinkered with their equations to increase the number of African-American women aged 18-29 to adjust for undercounts in ghettoes. But this change did not result in more accurate counts in poor communities; it only added people to better-off black neighborhoods.

In Chicago, Chicago Housing Authority staffers found the Census didn't count 3,500 people of the Robert Taylor Homes, a housing project. But statistical sampling only added 673 people. Elsewhere in Chicago sampling failed to adjust for overcounts. The white Lincolnwood neighborhood was overcounted by 29 percent, while the black neighborhood of Bronzeville was undercounted by 17 percent. If used, the statistical sampling method would have boosted the population of Bronzeville by only 4.4 percent—and raised the overcounted population of Lincolnwood by another 1.1 percent.

"The solution," the congressional members conclude, "is to actually count people better, not to rely upon a statistical adjustment incapable of addressing the problem."

SCIENCE AND ENVIRONMENT

Private Property Protects Nature

Karl Hess Jr. and Tom Wolf, "Treasure of La Sierra," in *Reason* (October 1999), 3415 South Sepulveda Boulevard #400, Los Angeles, California 90034.

Thoreau Institute senior associates Hess and Wolf examine the Trinchera and Taylor Ranches in Colorado to show that landowners protect the environment better than government.

In 1843, French explorer Charles Beaubien acquired a million acres of land in southwestern Colorado from the Mexican government. In 1851, after the land became U.S. territory, Beaubien sold small parcels to local Latino farmers, on the condition these farmers had the traditional Mexican rights to graze, hunt, and cut wood in the adjoining lands.

The northern half of the land, Trinchera Ranch, was eventually bought in 1969 by Malcolm Forbes. The other half, La Sierra Ranch, was purchased by entrepreneur Jack Taylor in 1960—on the condition that local residents still had the right to "pasturage, wood, and lumber and so-called settlement rights" on the property.

With clear title to Trinchera Ranch, Forbes convinced the Colorado legislature to allow him to create a program known as Ranching for Wildlife, which restricts the use of the property to hunters who pay as much as $8,750 for the chance to shoot elk, cougar, and other animals. Trinchera uses the funds to keep its property in pristine shape and even reintroduce lost species like bighorn sheep.

Taylor's clouded title to the La Sierra Ranch led to a more troubled history. He and local residents squabbled, sometimes violently, over uncertain, shared rights to timber and wildlife on the ranch. By 1981, Latino activists launched a costly lawsuit, *Rael v. Taylor*, and the ranch suffered from arson and poaching.

In 1988, Taylor died without a will, and his son Zack faced huge death taxes, growing legal bills, and local hostility. In 1993, an arsonist torched his house. By joining Ranching for Wildlife, Taylor paid the death duties, but to pay his legal bills, he had to cut much timber on his land, which infuriated radical environmentalists.

In 1997, a federal judge settled *Rael v. Taylor* in favor of Taylor, but still his legal bills and hostile neighbors remain. Hess and Wolf propose that some of these neighbors sell their land to Taylor in return for a share of the elk-license fees. They also suggest that Latino stockmen be allowed to graze cattle on the Taylor Ranch for free in the summer if they help restore Taylor Ranch habitat and keep their cattle on their own property in winter. A nonprofit resource bank would oversee limited logging by small farmers in return for ensuring the conservation of the remaining forest.

The Taylor Ranch with its history of government entanglements, Hess and Wolf conclude, is the most troubled link in a chain of private hunting reserves in Colorado and New Mexico. But if Taylor can peacefully settle with his neighbors, "a private wildland of vast proportions" will be created, "an island of conservation hope in a grim sea of failed federal management."

Saving the Swamps

Jonathan H. Adler, "Swamp Rules: The End of Federal Wetlands Regulation?" in *Regulation* (No. 2, 1999), Cato Institute, 1000 Massachusetts Avenue N.W., Washington, D.C. 20001.

For over two decades, federal regulators have issued increasingly draconian decrees over the nation's wetlands. But lately property owners have been winning in the courts, overturning a Corps of Engineers regulation that bars dredging of wetlands and convincing judges such restrictions are unconstitutional "takings" of private property.

Environmentalists complain that

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without federal control, states would compete in a "race to the bottom" to see who could drain the most swamps. Adler of the Competitive Enterprise Institute finds no evidence for this. In the nineteenth and early twentieth centuries, many federal laws, such as the Swampland Acts of 1849, 1850, and 1860, did a great deal of damage to fragile wetlands through flood control, dam-building, and artificially cheap flood insurance. Scholars calculate these programs eliminated 30 percent of the wetlands in the lower Mississippi Valley.

But long before the federal government began regulating wetlands in 1975, many states—including 14 of the 15 states with the most wetlands—had responded with their own conservation programs. Thanks to these state programs and more efficient agriculture, the amount of U.S. wetlands drained annually fell from 800,000 acres in the 1930s to under 290,000 by the early 1970s.

The Corps of Engineers, which oversees U.S. wetlands, is infamous for inefficiency. One developer withdrew his application to drain 0.0006 acres—26 square feet, about half the size of a ping-pong table—after the Corps sat on his request for 450 days. Often the Corps insists a developer create wetlands in amounts equal to what is drained. But these "mitigation projects," which can cost as much as $30,000 an acre, don't always create new wetlands and often create wetlands that don't improve a habitat.

Far better, Adler argues, are voluntary conservation measures where farmers are paid a federal subsidy of about $1,000 an acre to preserve or restore wetlands. These subsidies increased wetlands by 160,000 acres between 1992-96. Private conservation groups are also effective: In 1994 Ducks Unlimited saved 50,000 acres of wetlands—at no cost to the taxpayer.

The carrots of voluntary conservation are more effective than the sticks of regulation, says Adler. He urges Congress to transfer the $80 million Corps of Engineers wetland conservation budget to the conservation reserve fund—and promise that farmers who volunteer to preserve wetlands won't be hit by mandatory regulations later. "Both the states and private groups would do more," he writes, "if the federal government got out of the way."

OTHER COUNTRIES

Armed and Dangerous Extortion

Nicholas Eberstadt, "The Most Dangerous Country," in *The National Interest* (Fall 1999), 1112 16th Street N.W. #530, Washington, D.C. 20036.

North Korea is a failure, and 1998 probably marks the ninth straight year its economy shrank. Eberstadt of the American Enterprise Institute reports North Korea's leadership must now "focus on day-to-day survival." This makes the nation a dangerous one.

When Kim Il Sung launched the Korean War and created North Korea in 1950, the dictator believed he could unite the Korean peninsula under a socialist government controlled by his family. His plan was "a careful, calculating, high-risk gamble" and not implausible. South Korea's government, until the early 1980s, was quite unstable, with turmoil at every presidential succession.

But from about 1985, South Korea became a stable nation with a thriving economy. So North Korea "made a tactical decision in the 1980s to lean heavily on the Soviet Union." When Soviet subsidies ended, the North Korean economy went into "a steep downward spiral."

Its economy can only be cured through free trade and free markets, but its Communist rulers know such moves would lead to their ouster. So they have decided to be "a permanent recipient of government-to-government handouts"—and to extort such largesse they have boosted military spending substantially.

In 1994, for example, North Korea and the U.S. signed an "agreed framework" in which North Korea said it wouldn't develop nuclear weapons. Since then, North Korea has been given 500,000 barrels of free oil each year. An international agency was also created to give North Korea two "safe" nuclear reactors at a cost of $4 billion. These two programs alone, Eberstadt says, make North Korea "the largest recipient of American aid in all of East Asia."

North Korea has created an "enormous underground site" at Kumchang-ri which could be a sneaky effort to develop nuclear weapons. In 1999, North Korea allowed American inspectors to visit Kumchang-ri in return for 500,000 tons of food. Similarly, when North Korea fired a multi-stage ballistic missile over Japan in 1998, it said it would stop building missiles—in return for another $1 billion in subsidies.

Eberstadt suggests North Korea's ruling elite hope to terrify the West by creating a nation "too lethal to fail." Yet sooner or later, he argues, North Korea will collapse, and Western appeasement will only have made matters worse. For as long as the West rewards North Korean adventurism with handouts, the North will be an "insatiable state" more prone to aggression.

Europe Is No Model

Pietro S. Nivola, "Are Europe's Cities Better?" in *The Public Interest* (Fall 1999), 1112 16th Street N.W. #540, Washington, D.C. 20036.

Activists opposed to "urban sprawl" look to European cities as models for Americans to emulate. But Brookings fellow Nivola argues there are many unpleasant reasons European cities tend to be more compact, including

• *High taxes.* Gasoline taxes make fuel cost as much as four times more in Europe. Sales taxes on a new, medium-sized car are 37 times higher in Denmark than in America. These taxes make cars too expensive for most working-class Europeans, who must use mass transit.

• *Ruinous farm subsidies.* French agricultural subsidies, for instance, are 12 times higher than American levels, which explains why Paris is circled by farms.

Nivola likewise warns that Italy's downtown streets have lots of small shops because zoning laws severely restrict large stores and massive payroll taxes prevent small businesses from growing. "Italy may have succeeded in conserving clusters of small businesses in its old cities and towns," Nivola says, "but perhaps at the price of abetting double-digit unemployment in its economy as a whole."

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EDITED BY KARLYN BOWMAN

CENTRALIZATION FROM THE ROOSEVELT ERA . . .

During the New Deal, pollster Elmo Roper asked Americans how much a government should do. The chart at the left shows people's responses. At the end of Franklin Roosevelt's presidency, Americans were divided (38 to 37 percent) about whether "centering of more activities in Washington" was a good or bad thing. A majority believed Roosevelt was largely responsible for this change; 27 percent said the same thing would have occurred with a Republican president.

1939

Question: People feel differently about how far a government should go. Do you think our government

Source: Survey by the Roper Organization for Fortune, June 1939.

	Should	Should not
Provide an army and navy	96%	2%
Provide for all people who have no other means of subsistence	69	23
Be responsible for seeing to it that everyone who wants to work has a job	61	32
Regulate all public utility rates like electricity, gas, etc.	49	39
Make all decisions in disputes between capital and labor	35	45
Redistribute wealth by heavy taxes on the rich	35	54
Establish a bureau to supervise what should be produced in moving pictures	32	51
Establish a bureau to supervise what should be produced over the radio	27	60
Control the prices of farm products by production	23	62
Take over and operate all private, public, and parochial schools for children	20	72
Make every adult male spend at least two years in the army	18	76
Confiscate wealth over what people need to live decently and use it for the public good	16	76
Establish a bureau to supervise what should be printed in newspapers and magazines	15	76
Take over and operate all private colleges	14	75
Take over all present duties of the family in caring for children	5	92
Supervise all religious observances by establishing a national church	4	92

1937

Question: Do you think...?

The federal government ought to set the lowest wage that employees should receive in each business and industry — 61%

Should not — 39

Source: Survey by the Gallup Organization, May 1937.

1938

Question: Do you believe it is wise for...?

The government to guarantee to farmers a minimum price for certain crops — 38

Farmers should take whatever price they can get for what they produce — 48%

Source: Survey by the Roper Organization for Fortune, January 1938.

1948

Question: Generally speaking, do you think...?

The centering of more activities in Washington has been a good thing for the country — 38%

Bad thing — 37

Note: Supporters of Republican presidential candidate Thomas Dewey indicated that this had been a bad thing, by 53 to 27 percent. Truman supporters thought centralization had been a good thing, by 55 to 19 percent.

Question: Most people agree that a good many activities and responsibilities that were formerly left to the states are now centered in the national government in Washington. Do you think...?

Franklin Roosevelt was largely responsible for an increased centering of activities in Washington — 54%

The same thing would have been likely to happen with a Republican administration — 27

Source: Survey by the Roper Organization for Fortune, November 1948.

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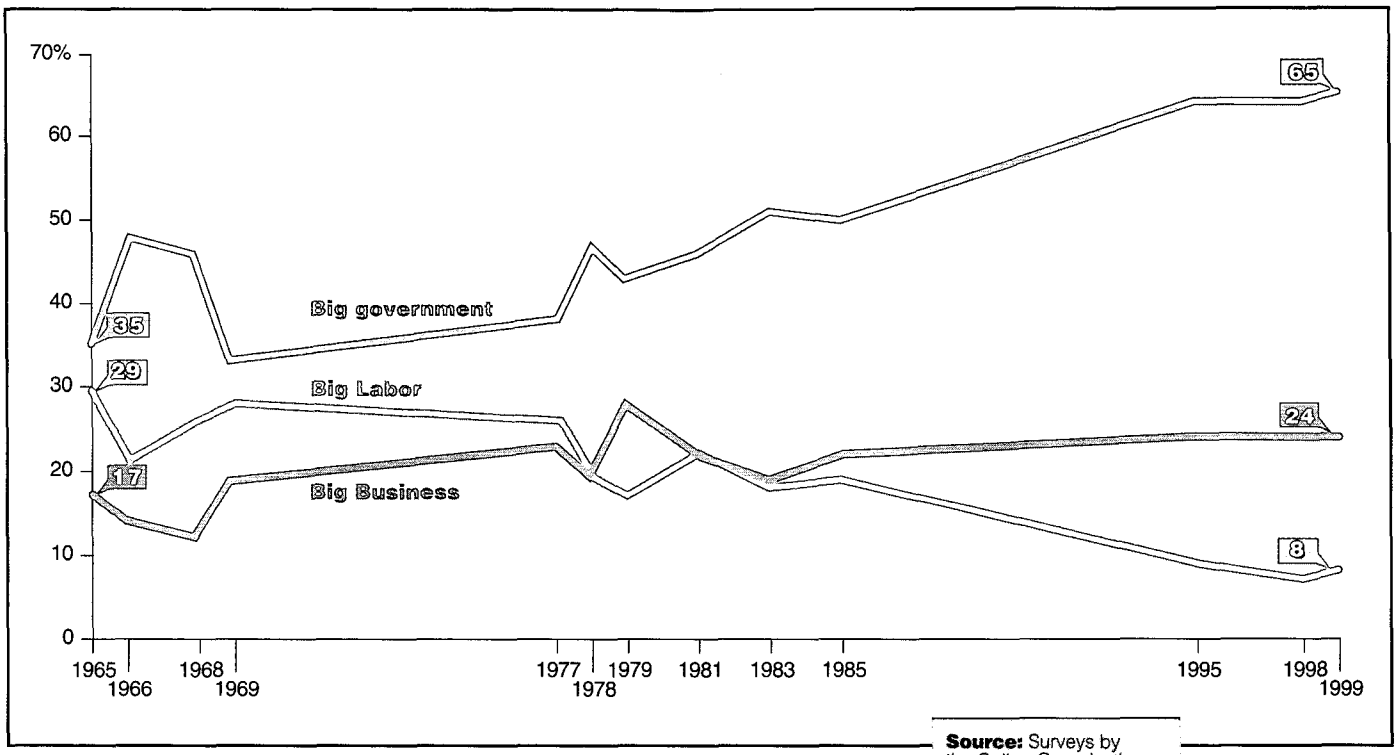
TO TODAY

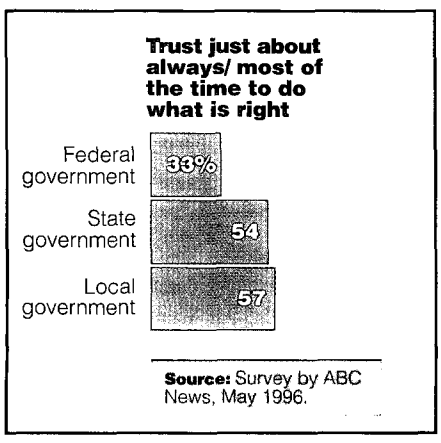
When Gallup asked in 1965 about the biggest threat to the country in the future, 35 percent said big government, 29 percent big labor, and 17 percent big business. When they repeated the question in August 1999, 65 percent said big government, a quarter big business, and only 8 percent big labor. People are generally more confident in their state and local than national government. In these prosperous times, people are divided about wanting a smaller or bigger government.

Question: In your opinion, which of the following will be the biggest threat to the country in the future...?



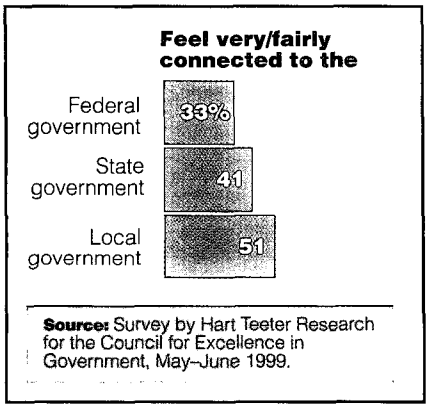
Source: Surveys by the Gallup Organization, latest that of August 1999.

Question: How much of the time do you trust...?



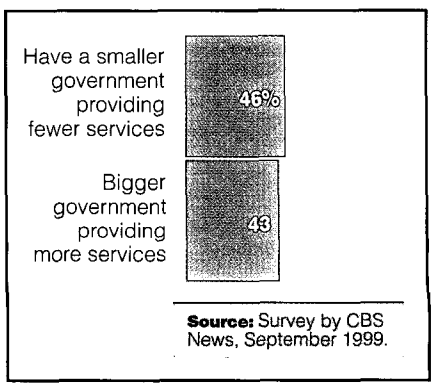
Source: Survey by ABC News, May 1996.

Question: Some people feel close and connected to government while others feel more disconnected from government. How would you describe your own relationship to...



Source: Survey by Hart Teeter Research for the Council for Excellence in Government, May–June 1999.

Question: If you had to choose, would you rather...?



Source: Survey by CBS News, September 1999.

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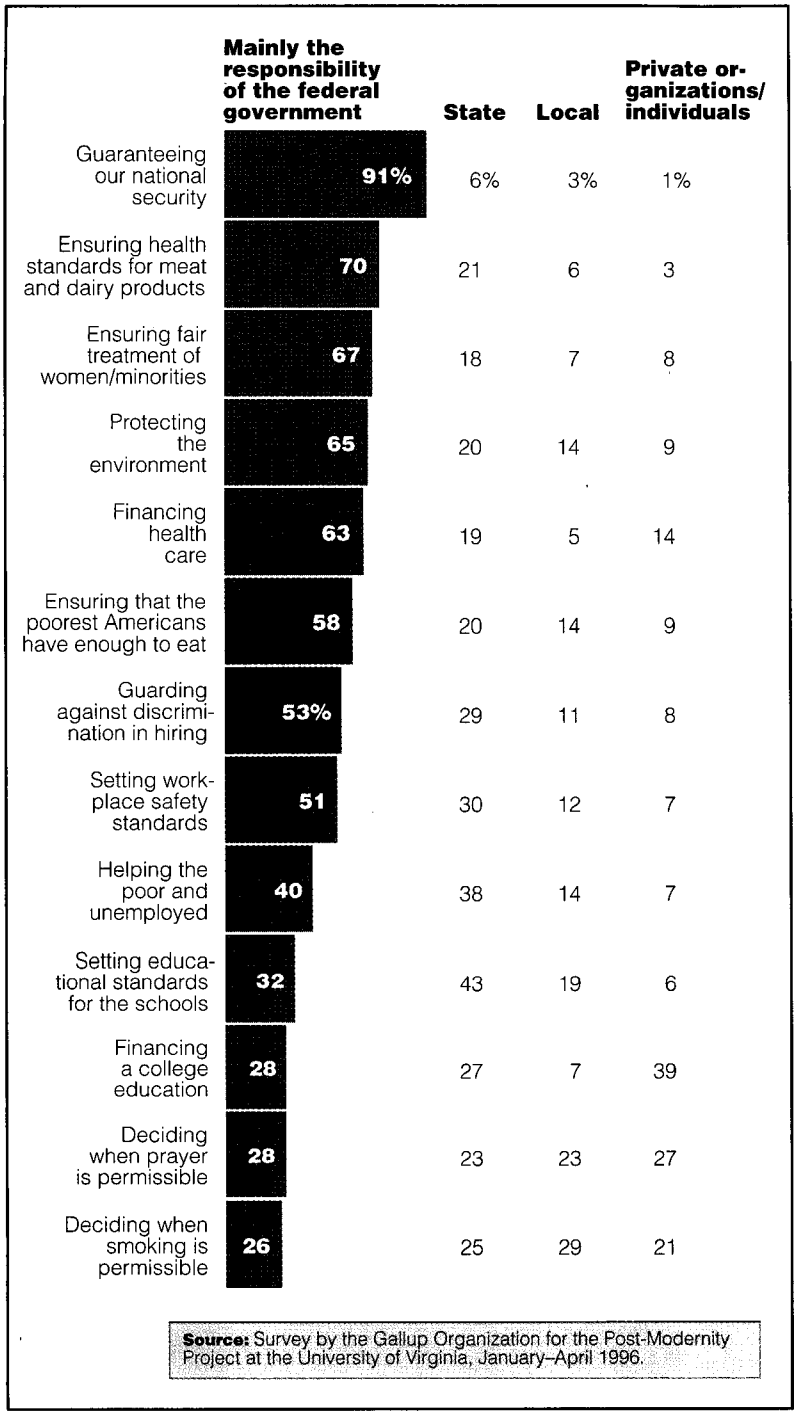
Looking to the Feds

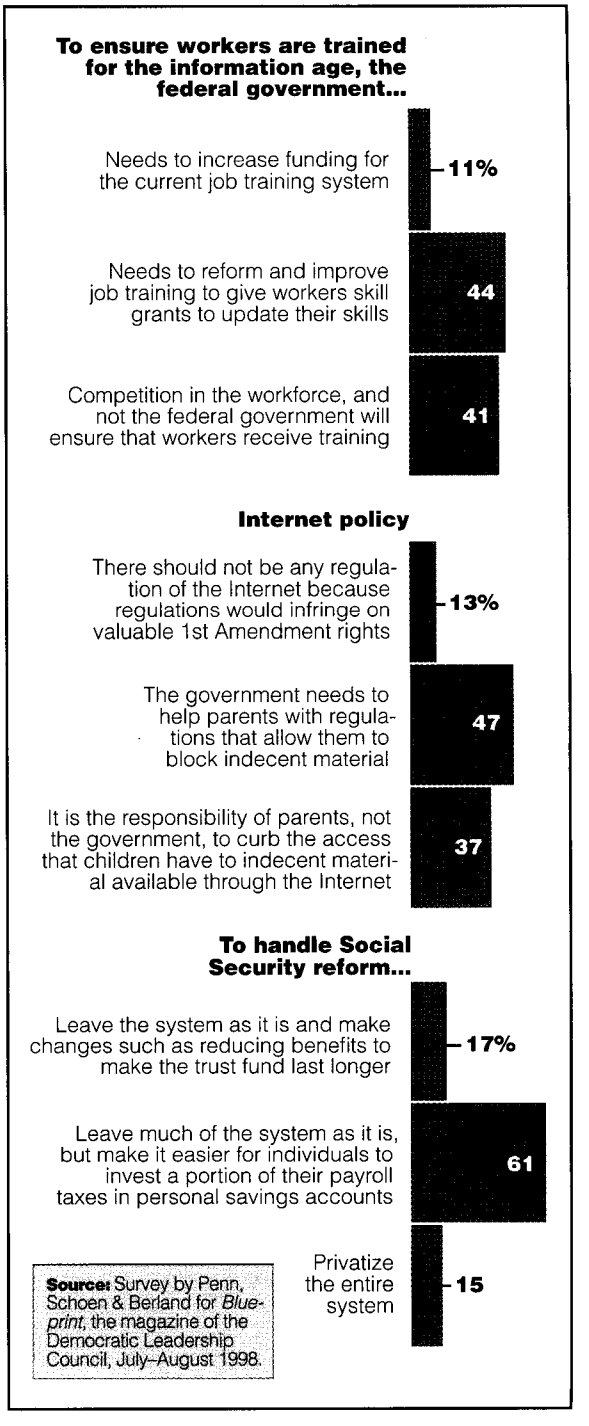
Despite concerns about big government, Americans want the federal government to play a substantial role in many areas. The questions at the right are designed to gauge support for a middle ground between government and the private sector. Americans reject leaving the Social Security system as it is or privatizing it, but they like the idea of making it easier for individuals to invest *some* of their payroll taxes in personal savings accounts. More people believe government should *help* parents with Internet regulation than believe parents should be responsible for curbing their children's access.

Question: Should...?



Source: Survey by the Gallup Organization for the Post-Modernity Project at the University of Virginia, January–April 1996.

Question: Which is closest to your view...?



Source: Survey by Penn, Schoen & Berland for *Blueprint*, the magazine of the Democratic Leadership Council, July–August 1998.

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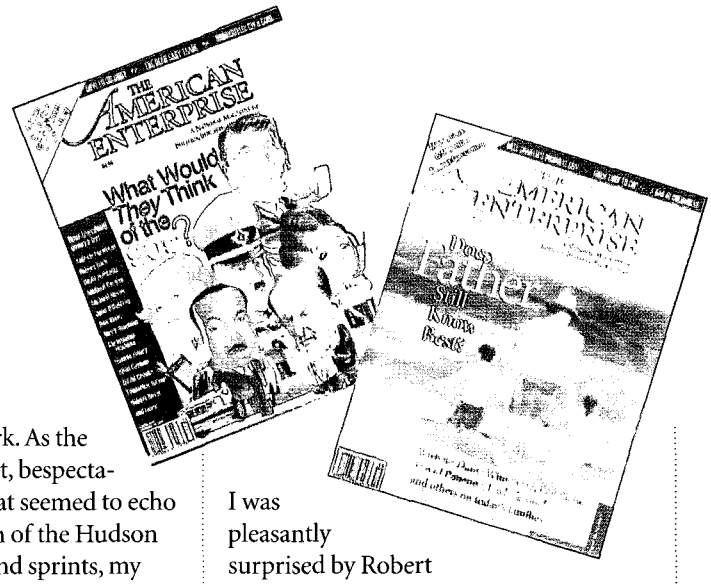
the Mail



Citing data showing that over 20- or 30-year holding periods stocks are no more risky than bonds, Kevin Hassett and James Glassman attack the equity premium puzzle: Why should stocks produce returns that are so much higher if they are no more risky than bonds? (TWO VIEWS, November/December)

The best explanation is that people are irrationally fearful of stocks. If this fear is overcome—as Glassman and Hassett believe it soon will be—*voilà*! Dow 36,000.

But here's another explanation: Stocks are indeed less risky than bonds over the long run, but most people are not long-run stock investors. The turnover for the New York Stock Exchange for the 12-month period ending in September 1999 was 76 percent, which means the average stock is held for a little over a year, not the 20- to 30-year periods Glassman and Hassett cite. Over such short holding periods, the standard deviation of stock returns (their risk) is two to three times higher than those for bonds. In other words, for the periods in which people actually hold stocks, they are indeed a riskier investment than corporate or government bonds.

The Glassman-Hassett theory may be correct for a world of long-term stock investors, but not necessarily so for the short-term stock investment environment of today.

Andrew G. Biggs
The Cato Institute

Re: "What Would They Think of the '90s?", November/December: When I was a child and Vince Lombardi was beginning his third year as head coach of the Green Bay Packers, my father took me to watch the team in pre-season workout at Bear Mountain, New York. As the Packers, driven by a short, bespectacled man with a voice that seemed to echo through the entire length of the Hudson River valley, ran their wind sprints, my Marine Corps father quietly said to me, "These guys are going to win it all." I asked how he knew that. Still quietly, but with emotion born of admiration for discipline, devotion, and courage, my father replied, "I can see it in their faces."

One other point would add to *TAE*'s excellent portrait of the gridiron legend and would tie in nicely to your recent issue on military academies (July/August): Coach Lombardi would occasionally remark that people attributed an almost military discipline and bearing to his Packers. He noted that this came not from him, but from the influence of soldiers he was exposed to as a football assistant at West Point.

Raymond J. Brown
Captain, U.S. Coast Guard

You do sloppy research, John Meroney! ("Is the Naval Academy Off Course?" July/August) How can I say that? I know the truth—the facts!

To set the record straight: (1) Hannah Kessler's father is NOT a retired naval officer. (2) Hannah Kessler is NOT the second of our children to graduate from the United States Naval Academy and serve her country honorably.

You presented information you evidently received from an unreliable source!! You presented lies, half-truths and personal opinions as facts. YOU didn't bother to do your homework! You presented false information based on your own personal bias.

Karen S. Kessler
mother of Ensign Hannah Altha Kessler

I was pleasantly surprised by Robert Cottrol's article criticizing gun control. ("A Liberal Democrat's Lament," September/October). His incisive thoughts shed much-needed light on the subject, and I was intrigued to learn the late Senator Humphrey opposed gun control. That Cottroll is himself a "1960s Hubert Humphrey Democrat" gives extra credibility to an article that would otherwise be dismissed as the blather of a NRA-brainwashed gun nut.

Although I question the motives of some of those who favor restrictions on the right to bear arms, I believe many of them are well-meaning but misguided and perhaps misinformed. I hope they will read this article and think long and hard about the points Cottrol raises.

Like the the rest of the Bill of Rights, the Second Amendment concerns the protection of our liberties. When you start chopping away at one amendment in a misguided zeal to "do the right thing," the others will follow in due course.

Clayton Vieg
via the Internet

TAE's interview with Ronald Reagan biographer Edmund Morris (LIVE, November/December) was by far the best and most illuminating I've seen. Part of the reason may be that *TAE*, unlike Katie Couric of NBC and many others, was actually interested in the book, not in dredging up trivial incidents to diminish Reagan's reputation. Kudos to interviewer John Meroney!

Taras Wolansky
Leonia, New Jersey

The American Enterprise welcomes your comments. Send to "The Mail," The American Enterprise, 1150 17th Street N.W., Washington, D.C. 20036. Or fax to (202) 862-5867. Or e-mail 75272.1226@compuserve.com. Please include your address and phone number. Published letters may be edited for length and clarity.

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"No cheese danish?!!
And you call this a bookstore?!!"

"Our credit card was stolen, but I've decided not to report it. The thief is spending less than we did!"

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"Public Art Can Serve No Higher Purpose Than To Reveal And Embody The Nobility of the Human Spirit"

—Frederick Hart

Is Traditional Art Experiencing A Renaissance?

Think Tank, the weekly PBS program on ideas and policy, examined this question in two recent programs.

We struck a resonant chord. We received more mail regarding our program on sculptor Frederick Hart than from any previous show. (Prior record holder program: Milton and Rose Friedman.) Then our Norman Rockwell program, which aired as the widely acclaimed Rockwell touring exhibit opened, broke our record set by Hart!

Suffice it say, many Americans have a big problem with much of modern art. They seek the nobility that Hart spoke of.

We think this question of a "re-traditionalization" within American art—across the board—deserves further examination. We are in conversations with PBS now and expect a time slot and partial funding for a prime time special to air next year.

We will need underwriting help from corporations and foundations. Please contact:

Doug Anderson 202-862-4882
(doug.anderson@nrmedia.com)

or Ben Wattenberg 202-862-5908
(bwattenberg@aei.org)

ThinkTANK viewers say "Yes"

Rockwell was truly an American art form....something of our very own.
Brenda Clark

I thoroughly enjoyed your interview with Frederick Hart. His work is fabulous. Any chance of encouraging "the powers that be" to do an extended program on the artist and his work?
Sandy Boyes

The fact that many museum board of directors turned a cold shoulder at the idea of having the Norman Rockell exhibit stand in their institutions shows just how much these so-called 'art experts' are out of touch with what the majority of Americans are thinking. And that is a crime.
Steve Kastenbaum

Frederick Hart should be declared a national treasure. That he has not received critical acclaim for his magnificent works is a disgrace! American art has lost it's way by focusing on freedom of expression and marketing success. Mr. Hart's untimely passing is a sad loss to American art. Keep up the good work in choosing and exploring the subjects for your programs.
Michael Navatta

Hart presented ideas that are shared by most Americans but shunned by the media and the artistic community. I thank you for this enlightening half-hour.
Ellen Roth

I am not an expert on art by any stretch of the imagination, but I felt compelled to express my views on Rockwell's art because I believe he was a very important vehicle for capturing scenes from the 20th century—I think he was an excellent artist.
Frances Young

Think TANK With BEN WATTENBERG

Funding for Think Tank is provided by the John M. Olin Foundation, the Lynde and Harry Bradley Foundation and the Smith Richardson Foundation.

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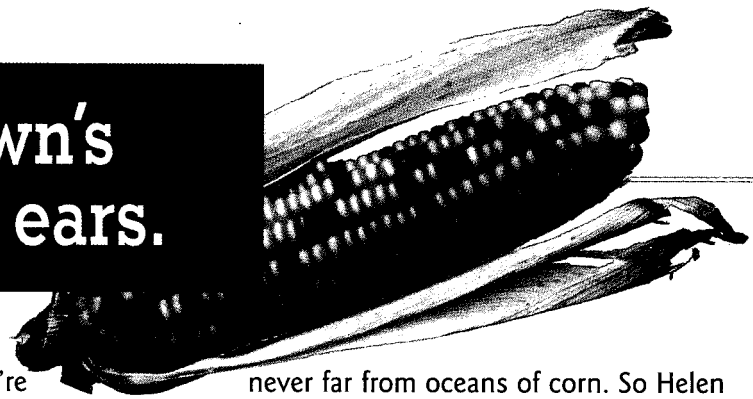
Mrs. Brown's class is all ears.



In Woodburn, Indiana you're never far from oceans of corn. So Helen Brown decided to teach her first grade science class an in-depth appreciation of their state's most important crop.

Each fall, students examine, compare and measure the various parts of the corn plant. Mrs. Brown ingeniously designed this exercise to also develop students' math, reading, writing and art skills.

Her class then explores the many non-food uses of corn. Their favorite project involves making plastic by microwaving corn starch, corn oil and water. When the resulting plastic ball is placed in water, it returns to a liquid.

This demonstration leads to discussions of environmental issues, such as trash disposal, recycling, biodegradable products and loss of farm land due to population pressures. Pretty advanced stuff for a group of first graders.

For teaching her students to appreciate the scientific wonder that is literally in their own backyards, State Farm is pleased to present Helen Brown with our Good Neighbor Award® and to donate $5,000 to the Woodburn Lutheran School.

"It's corny," says Mrs. Brown. But it sure works.

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The Good Neighbor Award was developed in cooperation with the National Science Teachers Association.

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